

## **APPENDIX**

### **The Youth Vaping Epidemic: Federal Regulation of E-cigarettes and the Rise of Juul and Puff Bar**

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

UNITED STATES SENATE



# Exhibit 1



still need to address the public health implications of any added flavors, including tobacco flavor, in their pre-market review submissions.

FDA recognizes that this will result in numerous flavored newly deemed products (that are not grandfathered) coming off the market within 180 days after the publication date of this final rule and that this will significantly impact the availability of flavored tobacco products at least in the short term. This rule and its associated compliance policies are not banning flavored newly deemed products; a manufacturer of a flavored newly deemed product can market the product after receiving marketing authorization or if the product is grandfathered. FDA suggests that such manufacturers review the Agency's final rule regarding exemptions from substantial equivalence requirements (76 FR 38961, codified at 21 CFR Parts 16 and 1107), and final guidance titled "Reports: Demonstrating Substantial Equivalence for Tobacco Products" and "Demonstrating the Substantial Equivalence of New Tobacco Products: Responses to Frequently Asked Questions." FDA is also issuing a draft guidance (announced elsewhere in this issue of the Federal Register) which, when final, will describe FDA's current thinking regarding some appropriate means of addressing the premarket authorization requirements for newly deemed ENDS products. While this last guidance focuses on ENDS products, FDA expects that this guidance, when finalized, will include general principles and perspectives that would apply to other newly deemed products as well.

#### **B. Flavored Tobacco Products**

FDA asked many questions in the proposed rule preamble seeking comments and data regarding use of flavored newly deemed tobacco products. Based on the comments and emerging data regarding the impact of flavors on youth and young adult tobacco product initiation and long-term use, as well as concerns regarding the existence of toxic compounds in

some tobacco product flavorings, FDA has decided not to include flavored tobacco products within the compliance policy for premarket review requirements.

**1. Flavors Make Tobacco Products Easier To Use and Increase Their Appeal Among New Users**

Flavors are added to tobacco products for numerous reasons, such as to ensure pleasant flavor and taste; to reduce the harshness, bitterness, and astringency of tobacco during inhalation; and to soothe irritation during product use (Ref. 141 at 535; 12 SG). FDA recognizes that natural and artificial flavoring generally composed of essential oils, spices, and herbs, and artificial chemical compounds are used as characterizing flavors in various tobacco products to ameliorate or intensify their sensory characteristics.

Flavoring also can make these products easier to use and increases their appeal among new users, most notably among young people (Ref. 9, Carpenter; Ref. 10, Cummings; Ref. 11, Manning). The 2012 Surgeon General's Report indicated that tobacco manufacturers have historically added flavoring to low-free nicotine content products (i.e., those products that have lower amounts of nicotine easily absorbed by the user) intended for use as "starter products" for new users (Ref. 141, 12 SG). A study of flavored tobacco product sales also concluded: "Ever trying flavored tobacco products were strongly associated with current smoking among teens." (Ref. 12B, Farley). As noted in comments, internal tobacco company studies confirmed that candy-like sweeter flavors increase appeal to starters by evoking a perception of mildness and masking the strong tobacco taste (Ref. 141A, Kapuler). Researchers also have confirmed that the chemical-specific flavor sensory cues associated with fruit flavors in candy are the same as those found in flavored tobacco products (Ref. 11A, Brown). In fact, researchers reviewed the flavor chemicals and levels in several brands of candy and Kool-Aid drink mix and concluded

that the chemicals largely overlapped with similarly labeled “cherry,” “grape,” “apple,” “peach,” and “berry” tobacco products (Ref. 11A, Brown).

## **2. Millions of Youth Use Flavored Tobacco Products**

In 2014, according to the National Youth Tobacco Survey, an estimated 9.58 million middle and high school students reported using a flavored e-cigarette on one or more of the past 30 days, 1.02 million reported using flavored hookah tobacco, 910,000 reported using flavored cigars, and 120,000 users reported using flavored pipe tobacco (Ref. 16F, Corey). Among the PATH youth cohort in 2013-14, 88.7 percent of ever waterpipe tobacco users, 81 percent of ever e-cigarette users, and 65.4 percent of ever cigar smokers reported that their first product was flavored (Ref. 16E, Ambrose). Similarly, 79.8 percent of youth current tobacco users reported using a flavored tobacco product in the past 30 days, including 89 percent of waterpipe users, 85.3 percent of e-cigarette users, and 71.7 percent of cigar smokers (id.).<sup>8</sup> Additionally, the availability of appealing flavors is a commonly cited reason for use among youth tobacco users. For example, 78.9 percent of current waterpipe tobacco user and 73.8 percent of current cigar smokers reported flavors as a reason for use (id). Among current e-cigarette users, the availability of appealing flavors was the primary reason cited for use (81.5 percent) (id.).

## **3. Dramatic Rise and Continued Youth and Young Adult Use of Tobacco Products That are Often Flavored**

FDA has noted a dramatic rise in youth and young adult use of typically flavored tobacco products, like e-cigarettes and waterpipe tobacco, and continued youth and young adult use of cigars (mainly cigarillos and little cigars).

<sup>8</sup> FDA notes that on the PATH youth baseline questionnaire, “current users” are those individuals that reported tobacco product use within the previous 30-day period. “Ever users” are those individuals that reported ever trying the tobacco product, even once or twice.

As discussed in the proposed rule, e-cigarettes are widely available in retail outlets such as kiosks in shopping malls and on the Internet and their online popularity has surpassed that of snus which has been on the market far longer than e-cigarettes (Ref. 1A, Gon 13; Ref. 1B, Ayers). Data from the National Youth Tobacco Survey (NYTS) illustrates that the percentage of U.S. middle and high school students who use e-cigarettes more than doubled from 2011 to 2012 (Ref. 76, CDC 6235). Among all students in grades 6 to 12, those that had ever used e-cigarettes increased from 3.3 to 6.8 percent and current e-cigarette use increased from 1.1 to 2.1 percent (id.). In 2012, among current e-cigarette users, 76.3 percent also reported current conventional cigarette smoking, likely illustrating that youth e-cigarette users are not using e-cigarettes as a method to quit smoking (id.). E-cigarette experimentation and recent use resulted in an estimated 1.78 million students having ever used the product as of 2012 (id.).

The information discussed in the proposed rule and in comments are consistent with more recent studies showing a dramatic rise in the use of ENDS products. CDC and FDA analyzed data from the 2011–2014 National Youth Tobacco Surveys (NYTS) (Ref. 1D, Arrazola 15) and found that current e-cigarette use among high school students increased nearly 800 percent between 2011 and 2014 (id.). In 2014, a total of 24.6 percent of high school students reported current use of a tobacco product (id.). Among all high school students, e-cigarettes (13.4 percent) were the most common tobacco products used (id.). This increase is not limited to an isolated demographic group; e-cigarettes were the most commonly used product among high school non-Hispanic whites, Hispanics, and persons of non-Hispanic other races (id.). E-cigarettes (3.9 percent) were also the tobacco product used most commonly by middle school students (id.). From 2011 to 2014, statistically significant nonlinear increases were observed among high school students for current e-cigarette use (1.5 percent to 13.4 percent) (id.). Among middle

school students, statistically significant increases were observed from 2011 to 2014 (id.). In 2014, an estimated 4.6 million middle and high school students currently used any tobacco product, of which an estimated 2.2 million students currently used more than two tobacco products. Of current tobacco users, 2.4 million used e-cigarettes (id.). These figures are particularly concerning given the attractiveness of flavored e-cigarettes to youth and young adults and the potential for youth e-cigarette users to move on to the use of combustible tobacco products. As additional confirmation of the basis for this concern, a recently published study found that ninth grade students who reported having ever used e-cigarettes at the baseline assessment were approximately 2.7 times more likely than non-e-cigarette users to have started smoking combusted tobacco products (cigarettes, cigars, waterpipe tobacco) and 1.7 times more likely to have started smoking conventional cigarettes 6 to 12 months later (Ref. 1E, Leventhal). Researchers noted that some teens are more likely to use e-cigarettes prior to combustible tobacco products for several reasons including the availability of e-cigarettes in flavors attractive to youth (Ref. 1E, Leventhal).

The data from the 2011 through 2014 NYTS also show that high school students' use of waterpipe tobacco, another tobacco product that is attractive to youth and young adults due to its wide variety of fruit and candy flavors, more than doubled during this time period. In fact, researchers observed substantial increases in waterpipe tobacco use among both middle and high school students from 2011 through 2014 culminating in an estimated 1.6 million waterpipe tobacco youth users in 2014 (id.). From 2013 to 2014, prevalence almost doubled for high school students from 5.2 percent (770,000) to 9.4 percent (1.3 million) and more than doubled for middle school students from 1.1 percent (120,000) to 2.5 percent (280,000) (id.). This is consistent with data included in the comments stating that waterpipe tobacco use continues to

increase in popularity, particularly among college students, with as many as 40 percent reporting ever using waterpipe tobacco and 20 percent reporting current use (i.e., use within the past 30 days) on some college campuses (Ref. 189, Sutfin; 190, Eissenberg).

Likewise, youth continue to use cigars, particularly flavored cigars. Youth and young adults appear to be particularly interested in cigarillos and little cigars, in part because they are available in flavors (Ref. 54, Corey King; Ref. 240, OIG; Ref. 70, Soldo). Recent research indicates that the proportion of the cigar market that is flavored has continued to rise since 2011 and, in 2014, flavored cigars accounted for more than half of all cigar sales (53.3 percent), with fruit (20.9 percent), sweet or candy (12.8 percent) and wine (9 percent) being the most popular flavor types (Ref. 70B, Viola). Data from the 2014 NYTS indicate that 8.2 percent (1,200,000) of high school students and 1.9 percent (220,000) middle school students had smoked cigars (including cigars, cigarillos, or little cigars) in the past 30 days (Ref. 10, Arrazola). In 2014, two-thirds of youth cigar smokers (910,000) reported using a flavored cigar in the past 30 days (Ref. 10A, Neff). This is consistent with results from the 2012 National Survey on Drug Use and Health (NSDUH), which indicate that youth prefer cigar brands that are more likely to be flavored, compared with adults (Ref. 16, Delnevo). Moreover, researchers assessing studies designed to measure cigar use have shown a significant increase in cigar prevalence when the studies referenced examples of little cigar and cigarillo brands, which are often flavored, supporting the idea that estimates of cigar use in surveys may significantly underestimate actual use. For example, when the Youth Risk Behavior Surveillance (YRBS) was initially administered, the local rates of cigar and cigarette use were consistent with national rates (Ref. 67, Terchek). Researchers then readministered the YRBS to six Midwestern high schools and included a popular little cigar brand name to the item measuring cigar use (Ref. 67, Terchek).

When the cigar question was modified to include a brand-specific example, the percentage of students reporting cigar use nearly doubled--jumping from 12.9 percent of high school students to 20.7 percent (Ref. 67, Terchek). This data illustrates that the number of youths and young adults who use cigars (including cigars with a “characterizing flavor”) is likely even higher than indicated in previous data. More than one in five students (20.4 percent) participating in the Monitoring the Future study also reported smoking small or little cigars, although that figure is down from 23.1 percent in 2010, which may be due to misidentification of them as cigarettes) (Ref. 70A, 14 MTF).

Existing data also show that youth and young and adults are using menthol flavored products, along with other flavored products. For example, in one survey of 953 middle school and high school students who had used e-cigarettes during their lifetime, 71 percent reported having tried sweet flavors and 22.1 percent reported having tried menthol-flavored e-cigarettes (Ref. 23, Krishnan). Moreover, cigarette data also confirms the appeal of menthol to youth. Younger populations have the highest rate of smoking menthol cigarettes, and studies looking at the differences in prevalence rates, age of first cigarette, and progression to regular smoking show a greater use of menthol in younger smokers and declines in use with age from adolescent to young adults to adults (Ref. 23E, Report citing, e.g., Ref. 23F, Fernander; Ref. 23G, Hersey 2006). In fact, data analyzed from the 2006 National Youth Tobacco Survey revealed that among youth smokers who reported a usual brand, 51.7 percent of middle school smokers and 43.1 percent of high school smokers consistently reported that their usual brand was menthol (Ref. 23E, Report, citing Ref. 23H, Hersey 2010). Menthol in cigarettes also is likely associated with increased dependence, with consistent findings showing that menthol smokers are more likely to smoke their first cigarette within five minutes of waking (a well-established measure of

dependence), and are less likely to successfully quit smoking (id.; citing, e.g., Ref. 23I, Nonnemaker 2013).

Focus group data also has suggested that removing flavors from tobacco products may reduce young adults' intentions to try these products and subsequently use them (Ref. 13, Choi). For example, researchers have found that among cigar smokers (in middle and high school), those who use flavored little cigars generally have a lower intent to quit than users of non-flavored tobacco products, which is consistent with evidence showing increased tobacco dependence among menthol smokers (Ref. 19, King). Similarly, a study of youth and young adults found that flavored tobacco use facilitates nicotine dependence among young smokers, despite low smoking frequency (Ref. 15A, Huh).

#### **4. Youth and Young Adult Tobacco Users are More Likely to Use Flavored Tobacco Products Than Adult Tobacco Users**

Many comments provided data and information regarding youth and young adult use of flavored tobacco products in recent years including examples of the different flavors used in many of the newly deemed products including:

- Cigar products: Strawberry, Blueberry, Grape, Peach, Cherry, Cream, Vanilla, Chocolate, Honey, Mango, Piña Colada, Tequila, Rum, Sour Apple, Watermelon
- Waterpipe tobacco products: Chocolate, Cherry, Champagne, Cinnamon, Clove, Grape, Mango, Lemonade, Piña Colada, Pineapple, Watermelon, Raspberry, Cola, Irish Cream, Key Lime Pie, Peach, Root Beer, Hazelnut, Butter Scotch, Chai
- E-cigarette products: Peppermint Party, Piña Colada, Very Vanilla, Cherry Crush, Peach Passion, Bazooka Joe Bubble Gum, Cotton Candy, Mojito, Chocolate, Mango, Strawberry, Gummy Bear, Peanut Butter



Researchers have concluded that flavored products are likely to influence patterns of tobacco use, particularly among youth and young adults (Ref. 12, Villanti). For example, the American Legacy Foundation's Young Adult Cohort Study reported that 18.5 percent of young adults (aged 18-25) in a national sample were currently using a flavored tobacco product and the prevalence of flavored brand tobacco use when examined by product type was most common for waterpipes (59 percent). Waterpipe tobacco smoking is becoming more popular among youth and young adults, and it is believed that the waterpipe smoking experience (i.e., less physically harsh and easier to inhale compared to cigarette smoke) coupled with the appeal of flavored tobacco are some of the reasons for the growing popularity of waterpipe tobacco (Ref. 14, Primack). After waterpipe tobacco, the prevalence of flavored brand use was followed closely by pipes (50 percent) and little cigars, cigarillos, and bidis (47 percent) (id.). The prevalence of flavored brand tobacco use was reported as 20 percent for cigars, while 17 percent of young adults reported using flavored e-cigarette brands (id.).

Researchers also have concluded that youth and young adults are more likely to use little cigars and cigarillos that have flavors (Ref. 12, Villanti) and are more likely to use such products than adults. For example, an analysis of the 2009-2010 National Adult Tobacco Survey found that flavored cigar use decreases with increasing age, with 9.1 percent of respondents aged 18-24 using flavored cigars and cigarillos, and only 1.4 percent of adults aged 45-64 using flavored cigars and cigarillos (Ref. 12A King). The CDC also has found the prevalence of flavored cigar use among cigar smokers decreases with increasing age, with 57.1 percent of 18-24 year old cigar smokers reporting use of flavored cigars in comparison to 43.2 percent of cigar smokers age 25-44, 28.9 percent of cigar smokers age 45-64, and 13.4 percent of cigar smokers over age 65 (Ref. 16A, King).

Data from the 2010 and 2011 NSDUH also illustrates this flavor preference for youth and young adults. Black & Mild, a brand which includes both flavored and non-flavored cigars and is well-known for its flavored little cigars (including cherry and vanilla), was the most popular cigar brand among 12 to 17 year olds participating in these national surveys (Ref. 21, SAMHSA 2010; Ref. 22, SAMHSA 2011). The two other top youth cigar brands, Phillies (available in flavored and nonflavored varieties) and Swisher Sweets, come in flavors such as grape, sweet chocolate and strawberry (Ref. 21, SAMHSA 2010; Ref. 22, SAMHSA 2011). Additionally, reporting usual use of a brand that makes flavored cigars decreased significantly with age in this survey, with 95 percent of 12 to 17 year olds reporting a usual brand that makes flavored cigars compared with 63.2 percent of cigar smokers aged 35 years and older (Ref. 16, Delnevo). Results from the 2009-2010 National Adult Tobacco Survey (NATS) also indicated that prevalence of flavored cigar use was highest among 18 to 24 year olds compared to all other adult age groups (Ref. 15, King, 2012). The Surgeon General has noted that, with one exception, the top cigar brands preferred by adolescents and young adults “include various flavorings, such as peach, grape, apple, and chocolate” (Ref. 141 at 164, 12 SG). Given that cigar smoking was the second most common form of tobacco use among youth in 2013, with 11.9 percent of high school students reporting smoking cigars in the past 30 days (Ref. 20, Arrazola), FDA remains concerned about the impact of these flavored products on youth initiation and use.

Further, e-cigarettes are available in numerous flavors including candy, fruit, peach schnapps, bubblegum, and cola (Ref. 23A, ACS; Ref. 23B, AAP), all of which may be particularly attractive to youth and young adults. Following the release of research from the 2011 and 2012 National Youth Tobacco Survey noting the increased prevalence of e-cigarette use in middle school and high school students, students have been quoted as noting that

classmates use e-cigarettes and prefer flavors like gummy bears “because it tastes really good” (79 FR 23142 at 23157; Ref. 23C, Bolario). A focus group study conducted with young adults (18-26 years old) on new tobacco products (e-cigarettes, snus, dissolvable tobacco products) found that participants generally reported positive perceptions of the new products, particularly because they came in flavors (Ref. 13, Choi).

Recent data, as well as studies included with comments, illustrate that youth are particularly attracted to flavored ENDS products. As a result, one tobacco company's website acknowledges that youth like flavors when it states, “kids may be particularly vulnerable to trying e-cigarettes due to an abundance of fun flavors such as cherry, vanilla, piña colada and berry” (Ref. 16D, Lorillard). According to 2014 NYTS data, 5.9 percent of U.S. middle and high school students reported using flavored e-cigarettes in the past 30 days (citation pending). Preliminary data from the national Population Assessment of Tobacco and Health (PATH) Study also demonstrate the popularity of flavored e-cigarettes among youth. Researchers found that 85.3 percent of youth aged 12 to 17 who used e-cigarettes in the past 30 days reported using flavored e-cigarettes (e.g., menthol, mint, clove, spice, candy, fruit, chocolate, wine, cognac, or other flavors) (Ref. 16E, Ambrose). Moreover, of those youth reporting having ever used an e-cigarette, 81 percent reported that their first e-cigarette was flavored (id.). This data also shows that 81.5 percent of current e-cigarette users (defined as those who used an e-cigarette in the past 30 days) stated that they used e-cigarettes because it “comes in flavors I like” (id.).

Results from small cross-sectional studies also suggest that flavored e-cigarette use is popular among youth. Several comments included a study that was under review for a peer-reviewed publication and has since published. In this survey conducted in four high schools and three middle schools in Connecticut in 2013, 25.2 percent of high school students reported trying

e-cigarettes in their lifetime and 12 percent reported using e-cigarettes in the past 30 days, while among middle school students, 3.5 percent reported trying e-cigarettes in their lifetime and 1.5 percent reported using e-cigarettes in the past 30 days (Ref. 23, Krishnan). Among the 956 lifetime e-cigarette users interviewed, 71 percent reported having tried sweet flavors, and 22.1 percent reported having tried menthol-flavored e-cigarettes. In terms of preferred flavors, 56.8 percent reported preferring sweet flavors, while 8.7 percent preferred menthol e-cigarettes (Ref. 23, Krishnan).

#### 5. Some Chemical Flavorings in Newly Deemed Products Contain Toxic Compounds

Many comments expressed concern about the toxicity of diacetyl and other components used to impart flavorings in e-liquids. These chemicals can be dangerous to those exposed through inhalation and some are, therefore, subject to workplace limits. Several more recent studies examine the potential dangers of these chemical flavorings to consumers when inhaled. For example, researchers in one study tested 159 e-liquids with sweet flavors, such as toffee, chocolate, and caramel, and found that almost three quarters of the samples (74 percent) contained diacetyl or acetyl propionyl (Ref. 89A, Farsalinos), both of which pose known inhalation risks (Ref. 89D, DOL). Among those that tested positive, nearly half of the e-liquids in the study could expose users to levels that exceed recommended workplace limits for breathing these chemicals (Ref. 89A, Farsalinos). Another study analyzed thirty e-cigarette liquids and found that many flavors, including cotton candy and bubble gum, contained aldehydes, a class of chemicals that can cause respiratory irritation, airway constriction, and other effects (Ref. 89B, Tierney). Specifically, researchers noted that two flavors, a dark chocolate and a wild cherry, would expose e-cigarette users to more than twice the recommended workplace safety limit for the aldehydes vanillin and benzaldehyde (id.). Similarly, researchers

found that several cinnamon-flavored e-liquids contained a chemical, cinnamaldehyde, which researchers stated was highly toxic to human cells in laboratory tests (Ref. 89C, Behar). While some studies have found that lower levels of some toxicants are observed in e-cigarette aerosols than in combusted tobacco smoke (Ref. 87, Gon 13), evidence of toxicants in E-liquids remains concerning. The potential dangers associated with chemical flavorings in newly deemed tobacco products provides additional supporting evidence not to extend the premarket review compliance policy to such products.

**6. Comments Relating to Restrictions on Flavored Tobacco Products**

(Comment) Some comments referred to the difficulty in defining “characterizing flavor” in the context of instituting a ban on flavored newly deemed tobacco products.

(Response) Although FDA is not banning flavored tobacco products with this final deeming rule, FDA has identified factors that, among others, would be considered to determine whether a “characterizing flavor” is present for purposes of this compliance policy. In addition, FDA plans to issue a proposed product standard to prohibit the use of characterizing flavors in cigars pursuant to section 907 of the FD&C Act, which would be done through a separate rulemaking, with notice and opportunity for comment.

(Comment) Some comments stated that the rule should not include any restrictions on flavored tobacco products. These comments generally relied on a research article which found that most e-cigarette users switched between flavors on a daily basis or within the day, with former smokers switching more frequently, and that respondents indicated that flavor variety was “very important” in reducing or quitting smoking (Ref. 23D, Farsalinos). This survey also noted that almost half of respondents indicated that a reduction in available flavors would “increase craving[s] for tobacco cigarettes and would make reducing or completely substituting smoking

less likely” (Id.). Therefore, they believed that FDA should not sacrifice adults’ use of flavored tobacco products in an attempt to prevent children from using flavored tobacco products. These comments also noted that flavors are used in other legally marketed products including NEPs.

(Response) As discussed in section VIII.F of this document, while we recognize that there is evidence individual smokers might switch to ENDS, the evidence is thus far largely anecdotal. The study referred to in the comments (Ref. 23D, Farsalinos) did not address the question of whether study participants would have increased cigarette use if there were no available flavored ENDS or if the variety of flavored ENDS were limited. In addition, if there were meaningful evidence that flavored ENDS actually make it more likely that smokers switch completely to ENDS, such evidence submitted as part of a PMTA would help support that application, as part of the analysis of whether the marketing of the product is appropriate for the protection of public health.

Furthermore, FDA is not including any specific restrictions in this final deeming rule regarding flavored tobacco products nor is it including a ban on flavored tobacco products. FDA has, however, decided to revise its proposed compliance policy for premarket review requirements so that it does not apply to products with characterizing flavors other than tobacco, as discussed in subsection A. Flavored, newly deemed tobacco products will still be able to be marketed if they are grandfathered or if they receive premarket authorization.

**C. Responses to Comments Regarding Compliance Periods for Premarket Review Requirements**

(Comment) FDA received many comments suggesting that we change the compliance period for submitting marketing applications. Some comments suggested that the compliance period should be 24 months from the date FDA either announces its intent to no longer exercise

# Exhibit 2

## RE: Deeming update

**From:** "Zeller, Mitchell" [REDACTED]

**To:** [REDACTED]

**Cc:** [REDACTED]

**Date:** Sat, 02 Jan 2016 16:19:06 +0000

To prepare for the Tuesday call with OMB on the passback that arrived late on December 24, let's have a meeting/call on Monday afternoon at 4:30 PM Eastern.

Mitch

**From:** Zeller, Mitchell

**Sent:** Friday, December 25, 2015 11:21 AM

**To:** [REDACTED]

**Subject:** Deeming update

A Merry Christmas to all who are celebrating.

Work continued on deeming into last night. Here's where we stand.

All remaining substantive issues (Friedman article, cigar count, illicit trade/Canada, PMTA costs, and small business definition/policy) were resolved yesterday. OMB needs to review the revised versions on cigar count and the PMTA cost analysis that we sent them last night. But based on discussions with OMB yesterday we expect that they will be fine with what we sent. The attached revised RIA only contains what was added on cigar count and PMTA costs. Review of the passback that came in yesterday, and any subsequent changes to text we agree to, will happen in January.

"Pens are down" until January 4.

When we are all back on January 4 here's what we face:

1. Unresolved concerns from SBA on the FRFA issue. There will need to be a call with SBA.
2. A passback on the preamble and RIA that arrived at different times yesterday with additional comments from DOJ, DPC and OMB. There was an expectation that these would all be smallish comments. That remains to be seen. There will need to be a call with DOJ and DPC. OMB put a marker down yesterday that they will want to review and agree to any additional changes we decide to make to the Friedman article text based on whatever is in the DOJ comments.
3. Uncertainty about January 8, though I highly doubt it will happen then.

I want to thank everyone, again, who helped get us to this important milestone and stopping point.



# Exhibit 3

## RE: Review of revised deeming

**From:** [REDACTED]

**To:** [REDACTED]

**Date:** Thu, 17 Mar 2016 11:31:39 +0000

**Attachments:** !Revised deeming 031716.docx (633.86 kB)

I had some wording changes on pages 17, 141, 145, and 146.

[REDACTED]

Food and Drug Administration (FDA)  
Center for Tobacco Products (CTP)  
10903 New Hampshire Avenue  
Silver Spring, MD 20993  
[REDACTED]



**From:** [REDACTED]

**Sent:** Wednesday, March 16, 2016 6:51 PM

**To:** [REDACTED]

**Subject:** Review of revised deeming

**Importance:** High

Hi everyone – Per our discussions, I have further revised the deeming draft to reflect the new compliance policy. I added back much of the deleted text from the flavors section and added language to try to provide a better balance regarding flavored e-cigarettes. I also re-framed it a bit to show that we are finalizing this compliance policy to balance our interest in protecting kids from flavored products with our desire to make sure certain flavored products are available to adults who may use them to switch, which hopefully provides a legal basis for including the newer data. (Please note that I have left in comment bubbles for OCC to show which documents are not in the admin record.)

Per OCD's discussion with OCC, I will be sending the same draft to OCC for their preliminary review. We will then plan to meet with OCC on Monday to discuss their initial thoughts as to whether the new narrative raises any legal red flags. Given this meeting on Monday, I'm requesting any edits,

comments, and questions on this draft by **COB, Friday, March 18<sup>th</sup>**.

Thanks guys!

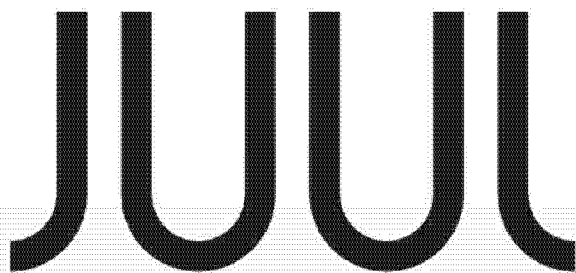
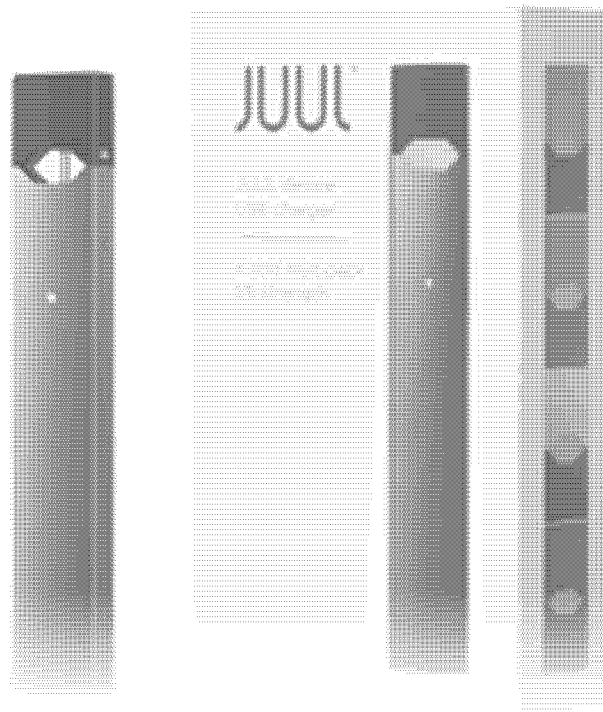
Office of Regulations  
FDA Center for Tobacco Products

[www.FDA.gov/Tobacco](http://www.FDA.gov/Tobacco) | [@FDATobacco](https://twitter.com/FDATobacco)



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# Exhibit 4



## **Confidential Memorandum**

March 2018



# Table of Contents

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I.	Mission and Values .....	6
A.	Mission and Goal .....	6
B.	Values .....	6
C.	Tobacco Harm Reduction .....	6
D.	Unprecedented Opportunity to Improve Public Health .....	6
II.	Company Background .....	9
III.	Scientific Research Overview .....	10
IV.	Investment Highlights .....	13
V.	Product Description .....	14
A.	Product Portfolio .....	14
B.	Value Proposition .....	15
VI.	Industry Overview .....	18
A.	Key Industry Themes .....	18
B.	U.S. Cigarette Market .....	19
C.	International Cigarette Market .....	21
VII.	Reduced Risk Product (RRP) Landscape .....	22
A.	Product Overview .....	22
B.	Market Overview .....	23
C.	RRP Portfolios at Majors: the Direct Result of an Active M&A History .....	24
D.	iQOS and glo: U.S. Launches .....	29
VIII.	Market Share .....	31
A.	E-Cigarettes .....	31
B.	Traditional Cigarettes .....	32
C.	Barriers to Entry .....	34
IX.	Company Overview .....	35
A.	Channel/Sales Overview .....	35
B.	Supply Chain Overview .....	36
C.	Quality .....	36

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# JUUL Table of Contents (Cont'd)

---

D.	Research & Development .....	36
E.	Management Team.....	37
X.	Regulatory Overview .....	38
A.	Current U.S. Regulatory Environment .....	38
B.	U.S. Taxes / MSA .....	39
C.	JUUL's Regulatory Strategy .....	40
D.	Considerations.....	41
E.	Youth Prevention.....	42
XI.	Financial Overview .....	44
A.	Revenue Model .....	44
B.	Unit Economics .....	45
C.	Historical Financials Discussion .....	47
D.	Projected Financials.....	51
XII.	Appendix.....	57
A.	Board of Directors .....	57
B.	Management Team.....	58
C.	Vapor Product Overview .....	59
D.	U.S. Tobacco Legislation .....	62
E.	US Cigarette Tax Excise History .....	64
F.	MSA Supplementary Information.....	66
G.	Kretek Case Study.....	70
H.	Flavor Regulation Supplementary Information.....	71
I.	CVS Case Study .....	76
J.	Supplemental Scientific Research .....	80
XIII.	Endnotes.....	88

## List of Figures

Figure 1: Preventable Causes of U.S. Deaths Each Year .....	8
Figure 2: US Cigarette Volume Consumption (Billions of Packs).....	8
Figure 3: JUUL Product Portfolio .....	14
Figure 4: JUUL Flavor Portfolio .....	14
Figure 5: Pharmacokinetic Curve Comparison .....	16
Figure 6: Chemical Comparison of E-Cigarettes Vapor to Cigarette Smoke.....	17
Figure 7: Cigarette Market Size in Perspective .....	18
Figure 8: Innovation Comparison – Telephones vs. Cigarettes .....	<b>Error! Bookmark not defined.</b>
Figure 9: Innovation Comparison – Telephones vs. Cigarettes .....	19
Figure 10: U.S. Smoking Population Over Time (in millions) <sup>16</sup> .....	20
Figure 11: U.S. Cigarette Revenues (\$ in millions) <sup>1</sup> .....	<b>Error! Bookmark not defined.</b>
Figure 12: U.S. Cigarette Market Share Breakdown <sup>1</sup> .....	20
Figure 13: International Cigarette Volumes Over Time (billions of sticks) <sup>1</sup> .....	21
Figure 14: Next Generation Product Comparison .....	22
Figure 15: First Generation Product Comparison.....	23
Figure 16: Precedent Transactions.....	24
Figure 17: Major Tobacco Current Platforms Classification .....	25
Figure 18: iQOS global user growth history (millions); October and November are estimated 27	
Figure 19: iQOS: National Share of Market (%) since Launch.....	28
Figure 20: iQOS: Weekly Offtake Share (%) since Launch .....	28
Figure 21: iQOS Product Overview and its Key Drawbacks.....	30
Figure 22: E-Cigarette Market Share Breakdown .....	31
Figure 23: September Perception Awareness Survey Results .....	32
Figure 24: Total Dollar Share (Cigs. + E-Cigs) <sup>37</sup> .....	33
Figure 25: ACV-Adjusted Market Share (Cigs. + E-Cigs) <sup>27</sup> .....	33
Figure 26: Worldwide Google Search Volumes <sup>29</sup> .....	33



# JUUL Table of Contents (Cont'd)

Figure 27: Sell-In Demand .....	35
Figure 28: JUUL Annual Marketing Spend .....	35
Figure 29: JUUL Slotting .....	35
Figure 30: ACV/Convenience Doors Curve JUUL vs. Competitors .....	<b>Error! Bookmark not defined.</b>
Figure 31: JUUL Exective Team .....	37
Figure 33: HPHC Comparison – JUUL vs. Marlboro .....	40
Figure 34: Historical and Upcoming Regulatory Milestones and Company Evolution ....	<b>Error! Bookmark not defined.</b>
Figure 35: JUUL Identity Check .....	42
Figure 36: Key Financial Drivers.....	44
Figure 37: Potential Upside to Match Marlboro Retail Price.....	47
Figure 38: Global Smartphone Adoption .....	55
Figure 39: Social Media Adoption by Age Group .....	56
Figure 40: Potential Next Generation Product Adoption'.....	56
Figure 41: Closed Systems .....	59
Figure 42: Open Systems .....	59
Figure 43: US Vapor Products Market (Retail Value RSP, \$ in millions) .....	60
Figure 44: iQOS share trend comparisons, Japan cities vs. initial launch areas in European markets	61
Figure 45: US Tobacco Legislative Milestones.....	62
Figure 46: Minimum Age to Purchase Tobacco in the US as of 1989.....	63
Figure 47: Current US Tobacco State Excise Tax Map .....	65
Figure 48: In-Store Gross-Profit Dollar Contribution .....	77
Figure 49: Retail Front Store Sales SSS, YoY .....	79
Figure 50: Cumulative Impact of SSS Declines.....	80

## List of Tables

Table 1: Competitor Product Pipeline .....	25
Table 2: iQOS launch history by country and initial launch timing.....	29

# JUUL Table of Contents (Cont'd)

---

Table 4: JUUL Growth Levers .....	54
Table 5: JUUL Direct Marketing .....	55
Table 6: Estimated breakdown of IQOS share trends in Romania .....	60
Table 7: Esimated Breakdown of IQOS share trends in Greece .....	60
Table 8: State Excise Tax Tracker and Tax Umbrella .....	66
Table 9: Leaders in Merchandise Sales .....	77
Table 10: Category Gross-Profit Margins .....	78
Table 11: Status quo and e-cigarette substitution, premature deaths and life years lost for all cohorts, men and women combined .....	85



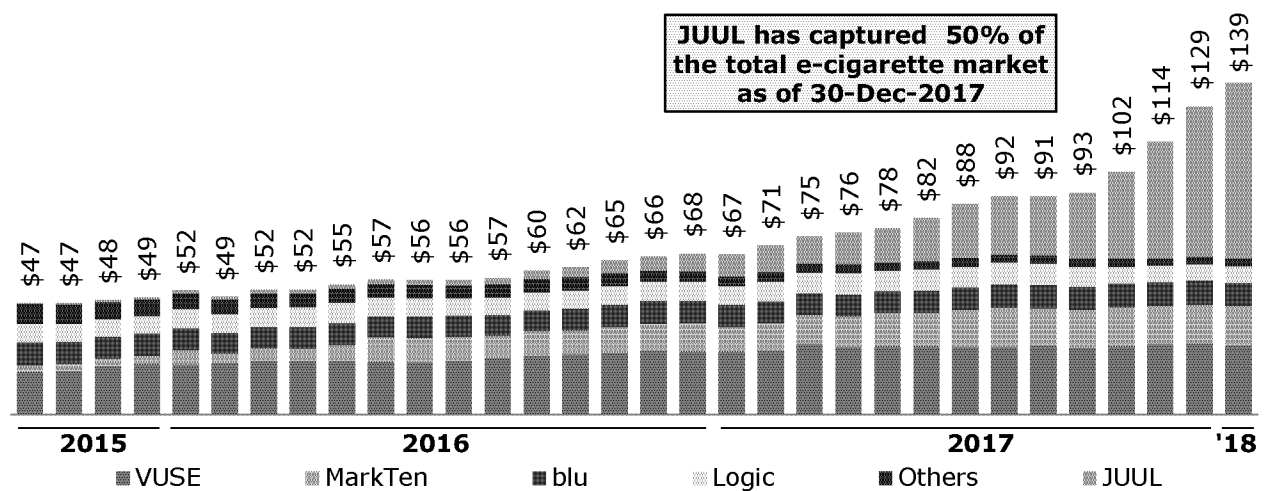
## VIII. Market Share

### A. E-Cigarettes

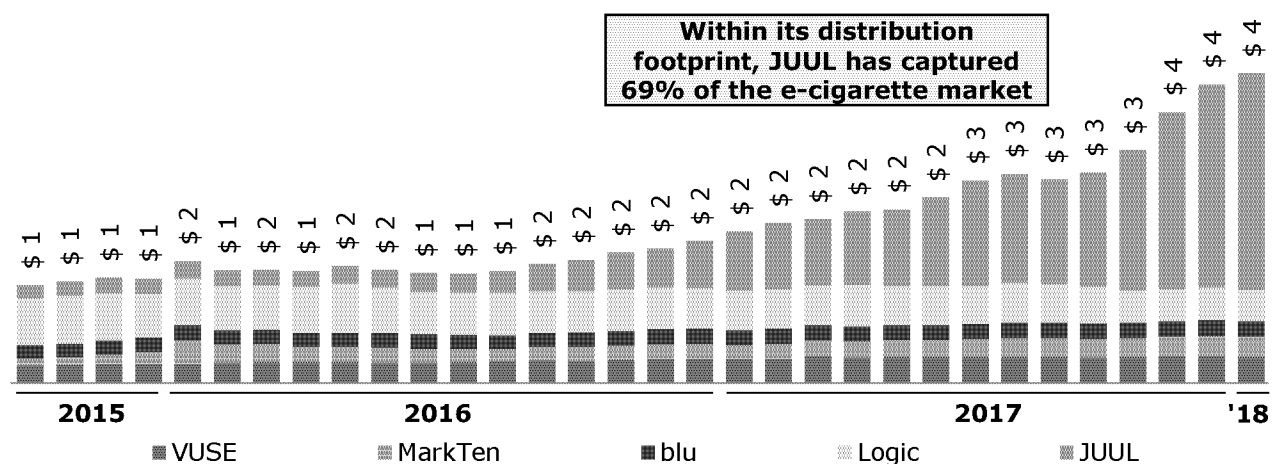
As discussed above, JUUL has meaningfully outperformed its e-cigarette competition. Based on Nielsen-reported data as of January 27, 2018, JUUL represents 53% of the e-cigarette market (up from approximately 13% at the beginning of 2017). Its market share is even higher on a distribution-adjusted basis, capturing 70% of revenue dollars per ACV-point (All Consumption Value represents a weighted average measure of distribution). JUUL alone now drives ~100% of the US e-cigarette industry's growth.<sup>27</sup>

**Figure 19: E-Cigarette Market Share Breakdown**

18A: Monthly Revenue (\$ in millions)<sup>27, i</sup>



18B: Monthly Revenue per ACV-Point (\$ in millions)<sup>27, i</sup>



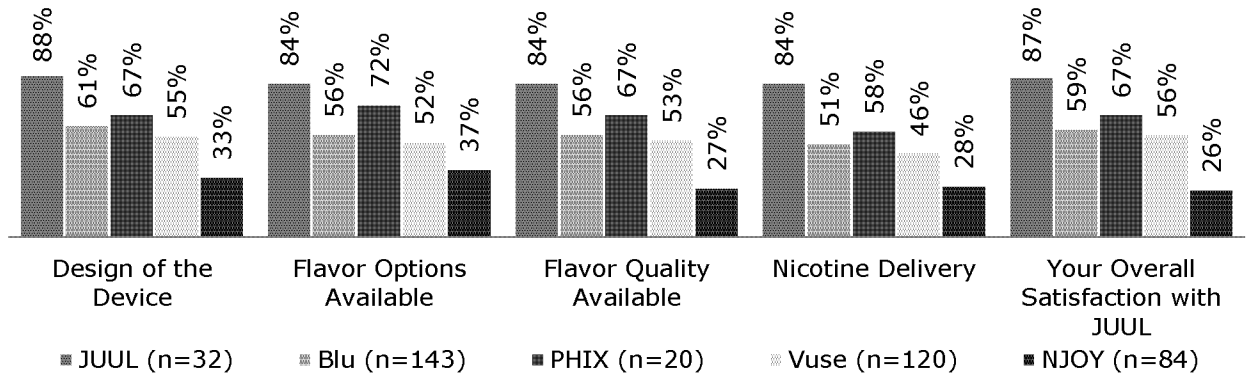
<sup>i</sup> Calculated on a four-week basis.



## VIII. Market Share (Cont'd)

Our user surveys support our views of the superior value proposition that JUUL offers relative to its e-cigarette competition and support continued market share gains for JUUL. Across five key product ratings – device design, flavor options, flavor quality, nicotine delivery, and overall satisfaction – JUUL tested superior to its competition. Figure 23 provides a summary of our September Perception Awareness Survey.

**Figure 20: September Perception Awareness Survey Results<sup>28</sup>**



### B. Traditional Cigarettes

However, JUUL views traditional cigarettes and tobacco as its true, long-term competition. JUUL's superior value proposition against traditional cigarettes positions the company extremely well to continue capturing market share. JUUL is working towards FDA-approved messaging around our product's health benefits versus combustible cigarettes. Its growth has already translated into this market, with JUUL now capturing 7.5% of the total cigarette + e-cigarette market on an ACV-adjusted basis.<sup>27</sup> Furthermore, JUUL also generates greater Google search interest than any other tobacco product.<sup>29</sup>



## VIII. Market Share (Cont'd)

Figure 21: Total Dollar Share (Cigs. + E-Cigs)<sup>36</sup>

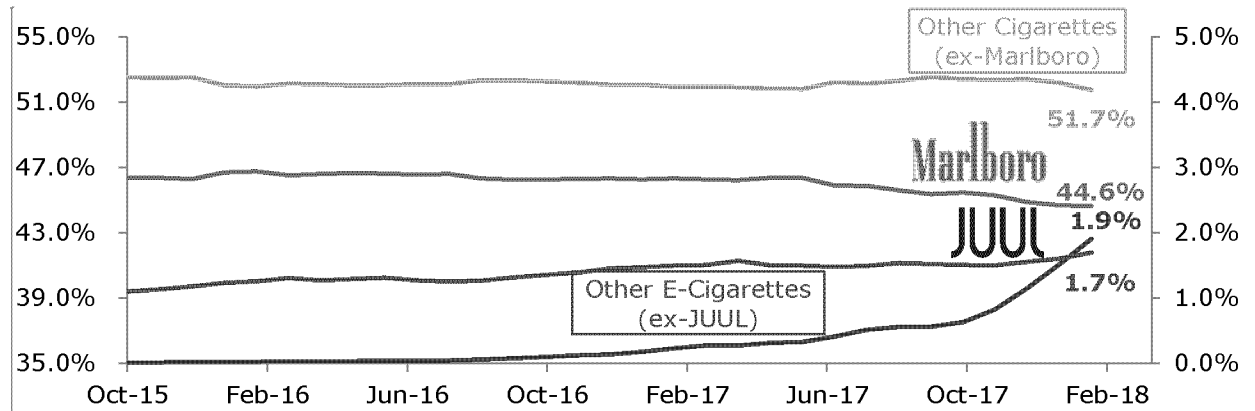


Figure 22: ACV-Adjusted Market Share (Cigs. + E-Cigs)<sup>27</sup>

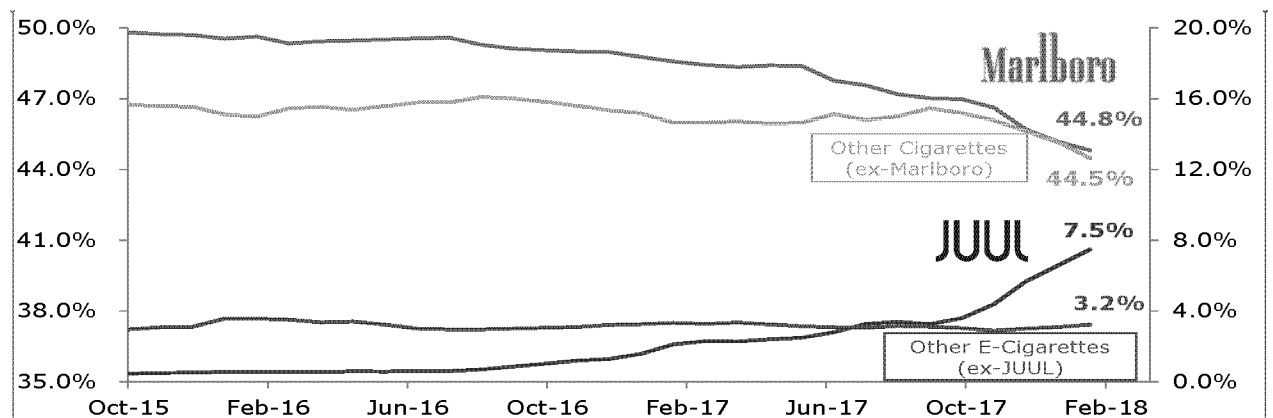
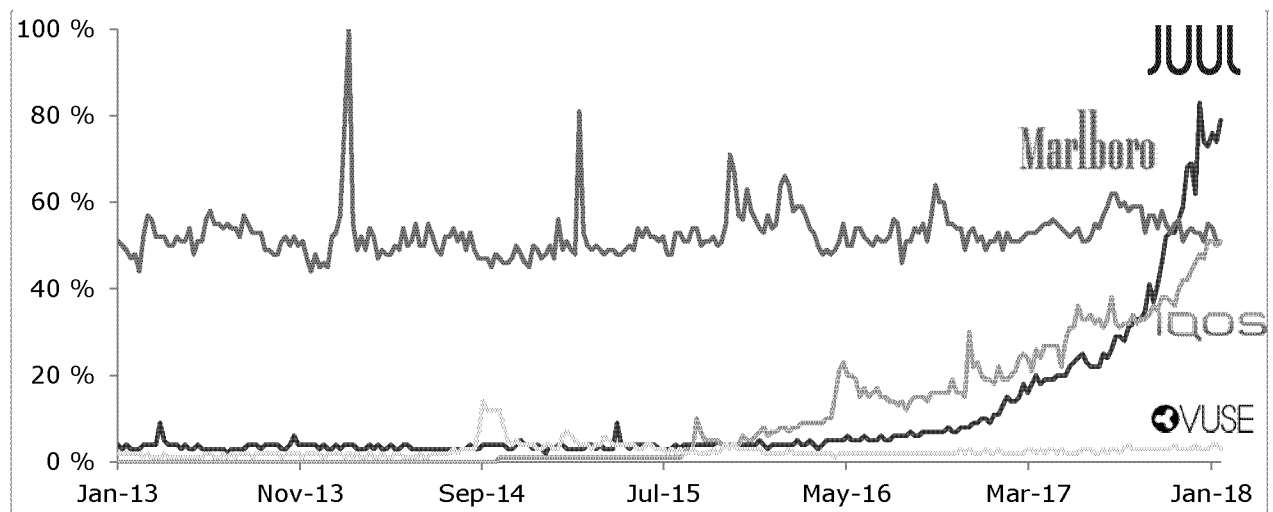


Figure 23: Worldwide Google Search Volumes<sup>29</sup>





## VIII. Market Share (Cont'd)

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### C. *Barriers to Entry*

Entry into the U.S. market is regulated by the FDA; any product not on market by August 2016 now requires FDA approval to launch. The FDA approval process is both lengthy (12-24 months) and costly (requiring meaningful pre-clinical and clinical evidence generation and collection) and presents a substantial barrier to new start-ups or smaller players trying to enter the space.

Lastly, product design cycles in the space have been relatively slow given the significant complexity and engineering required to deliver a consistently compelling consumer experience and nicotine satisfaction. JUUL believes our team has the most robust product development capabilities on the market and it expects to continue to innovate at a meaningfully more rapid pace than major tobacco players given its advantages in attracting, retaining, and engaging world class R&D talent.

# Exhibit 5

**From:** [REDACTED]  
**To:** Chelsea Kania  
**CC:** Steve Hong  
**Sent:** 4/3/2018 11:03:22 PM  
**Subject:** Re: Flavor Question  
**Attachments:** 2018\_04\_02\_US\_State and Region SKU Data v2.xlsx

Thanks Chelsea!

I tried my best to write a formula to create a mapping for all the products (assuming we'll use this data set going forward.) So with the excel mapped data, here are the slightly updated outcomes:

	Flavor Categories By Dollar Sales		Flavor Categories By Unit Sales	
	Competitor	JUUL	Competitor	JUUL
Dessert	2%	6%	3%	7%
Fruit	13%	28%	12%	30%
Menthol/Mint	35%	33%	37%	35%
Other	1%	1%	1%	1%
Tobacco	43%	15%	44%	21%
Unidentifiable	6%	16%	3%	6%

Updated workbook with mapping attached. I haven't been able to catch [REDACTED] to discuss the source data yet, but I did notice that in your analysis you filtered for IRI west or something to that effect. Let me know if that's a subset I should be using, too.

[REDACTED]

On Fri, Mar 30, 2018 at 10:07 AM, Chelsea Kania <[REDACTED]> wrote:

FYI below file/my data cut for [REDACTED]. [REDACTED] feel free to follow up with [REDACTED] to learn more about this data set.

Also attached 'Strengths n Flavors', deck from our last flavor conversation with Kevin - the roadmap is old but the appendix has some context that might be useful background.

 [State and Region SKU Data.xlsx](#)

----- Forwarded message -----

**From:** Chelsea Kania <[REDACTED]>  
**Date:** Thu, Mar 29, 2018 at 8:53 PM  
**Subject:** Fwd: Flavor Question  
**To:** [REDACTED]

Did a SUPER quick pass of the 4-week data to assign flavor categories to skus (as best I could tell by the descriptions), and then subtracted JUUL and calculated % of unit sales:

Competitor Flavors

30% Menthol/Mint



39% Tobacco  
18% Fruit  
7% Dessert  
7% Blank (Unknown)

## JUUL Flavors

41% Menthol/Mint  
9% Tobacco  
43% Fruit  
7% Dessert  
0% Cucumber

----- Forwarded message -----

From: [REDACTED] >

Date: Thu, Mar 29, 2018 at 8:35 AM

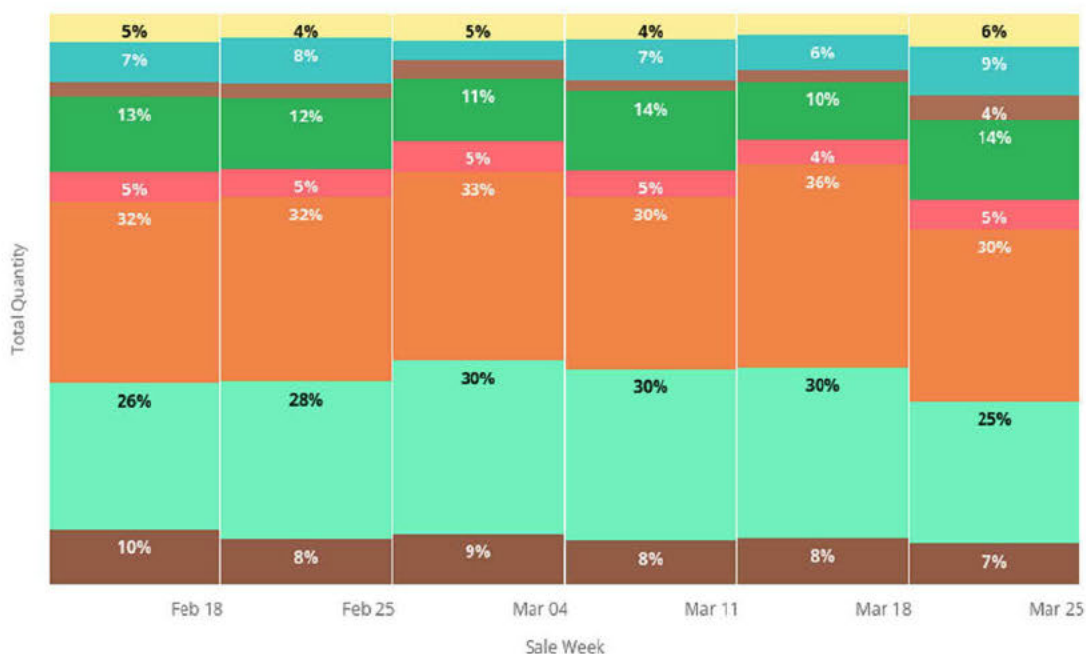
Subject: Re: Flavor Question

To: [REDACTED] >

Cc: [REDACTED] Chelsea Kania <[REDACTED]>, [REDACTED]

For those that have Looker access [https://juul.looker.com/explore/pax\\_nyc/upd\\_sales\\_items?qid=gNphaWhX2Q4EgCxY43MKBr&origin\\_space=126&toggle=vis](https://juul.looker.com/explore/pax_nyc/upd_sales_items?qid=gNphaWhX2Q4EgCxY43MKBr&origin_space=126&toggle=vis)

Below is a visualization of what UPD has sold to retailers in the last 6 weeks. Most colors are self explanatory, the larger brown is Virginia Tobacco.



On Wed, Mar 28, 2018 at 9:01 PM, [REDACTED] wrote:  
Hi,

We are working on a consumables deck for executive management and are wondering if you guys have any data that can help us understand the flavor mix in doors that carry our full portfolio of flavors:

- Mango
- Cool Mint
- Virginia Tobacco
- Fruit
- Creme Brulee
- Cool Cucumber
- Classic Tobacco
- Classic Menthol

I know we have Avail data, but wondering if we should also be looking at it from a distributor level and/or if you have any additional doors that we can reference.

Any insights you have would be greatly appreciated.

Thanks!

[REDACTED] Chelsea, [REDACTED]

--  
[REDACTED]

--  
Chelsea Kania

Juul Labs | 560 20th Street, San Francisco, CA 94107 | [REDACTED]

[photo juul labs sig2 zpsb4y2zjvf.jpg](#)

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--  
Chelsea Kania

Juul Labs | 560 20th Street, San Francisco, CA 94107 | [REDACTED]

[photo juul labs sig2 zpsb4y2zjvf.jpg](#)

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--  
[REDACTED]

# Exhibit 6

**From:** Julie Henderson on behalf of Julie Henderson <[REDACTED]>  
**To:** Julie Henderson  
**Sent:** 7/6/2018 4:13:57 PM  
**Subject:** Studies

Marketing & tracking longitudinally of retailers, every 30 days we re-survey on their use of product, flavors, are they still smoking while vaping or are they completely switching. we want to understand flavor journey, and other behaviors.

3500 respondents so far, we're moving through the 30 day marks,

switching rate is about the same as what we saw (40% had switched completely from smoking, almost 15% w/in 5 days); some segment - we'll do this every 30 days and we'll have over 5000 at the top of the funnel,

we're starting to track their journey w/flavors - we'll have this done by 3rd party group w/ethics approvals done/IRB; it's self-reported info we're accessing both on-line and

Are you able to turn the data over to a 3rd party to analyze and report out the results w/in the FDA regulatory framework bc that would be a more credible way? - Kevin - yes, we can and we'd like the info to be disseminated as effectively as possible.

At NYU, we have very effective student lab that would be willing to do that gratis, because having it released under jr faculty review and supervision w/out your money would give an enormous advantage of the credibility would be good.

The first announcement of this info, irrespective of the content, who is the messenger, how it was vetted, who supported it financially - all this is key. Candidly, it's a mistake to turn it over to for-profit firm, they're in business to give you valid info but it could be misused by the tobacco prevention community; it could be used against juul. getting veda5 to neutral;

state of affairs b- mtg w/fda - rich zeller; [REDACTED] & folks from compliance and stakeholders office; we requested mtg last yr, that was declined then request for mtg w/zeller was accepted.

Ashley - we presented our mission; youth education work; not a ton of questions but a few, one on flavors, zeller sent the msg that the yep issue makes it extremely difficult to have harm reduction; we were told to take independent action; this is existential threat to the vapor industry; he did say that we continue w work were doing but lots of pressure

he was looking for something else on preemptive action - same thing; who is providing input on who's collecting it; it's imagining what's going on in their heads; was this before or

Tom Miller - reaction to fda mtg - don't know what he's expecting you to do: you've got a robust system for those trying to buy; you do some monitoring of social media; you're not marketing to kids; he's in process of assembling a group to make recs; he doesn't know what else we could do but stop selling the product or stop selling flavors which would be the same as stop selling the product. at a loss of what you could do beyond what you're willing to do - how many current juul users do you know of? -

kevin - we estimate that we have 1.6 - 2million active users in the market place; we don't know what percentage are over 18; our est is that it's single digit for under 18; we're selling into the market place every month 5-6k devices each month; assuming over 12 month period, there's a 30-40% turn, we'll have 3-4 million users in the US;

Tom - were seeing some real disruption of cig sales; ashley's report; volume is done w/ philip morris taking hit in penetration of combustible mkt;

lkebvin - were seeing first defensive aggressive campaigns from altra to secure shelf space at retailers and requiring themn to limit amt of shelf space for juul; buying the fixtures and installing at their expense at c-store and gas station providers in respoonse to our penetration inthe arena = we have about a 2% share of the cig business; and our retailers show we have 7% share of the marketplace; I think you're going to see cont'd agression from cig mkts because their last intros didn't do well; the start wasn't encouraging and our momentum contines to be solid; we'll have cont'd expansion among sites - they're contributing to some of the external challenges we have - they're going to cont to be backed into a corner -

██████ - is there a sourcr that can be quoted re: altra's effort?

Kevin -no, because if you look at the contract it isn't explicitly statred - it was a verbal comment to the head of our chain manager -they're commented they know why altra's swinging right now because their share has been hit while we continue to grow. they view us as a tiny company w/400 people and 100 at retailer while they've got 5k at retail.. we're raising money to put sone on or balance sheet - they're not going away quietly; the combined 5 have 40million in caoital in the last 60 days; in the first half of may won't be a good quatrter for then in trebnds and after a few of these will be required to explain including juul's acceleration

Are they going to be confused w/juul and we get inappropriate attn from youth due to

the big prob today - kevin - how do we signal the fda w/out making a proactive approach and appearing defensive, there are a number of device knock-offs and knock-off pods which violate our patent and our on-the box statement that theh're compatible and they're in flavors we don't want out htere = a flavor not sanctioned by juul, but by a 3rd party knock-off....device and pod knock-offs; we worry about safety and quality issues....a big concern - the fastest would be if the fda would take action.

other related question - how do ask in your survey to discriminate between authentic and jnowckj-off juuls; kevin: we haven't done that/asked that yet - let's make a note to see how we might incorporate that.

██████ - the data you described that you;re collecting, are you asking age?

kevin - yes, only at 18 and above. we're not asking age below that because i guess we have a space on the retail survey you can go below 18; we're tracking 21+ on-line even though you can get around the system w/identity and credit card fraud - i'll have to see if anyone has checked the box for below 18 on the retail surveys....

██████ - the last time you indicated you didn't habve data on the age of your purchaser, national surveys report youth are using but the absence of you not trying to obtain that info could be misconstrued also

ashley - we're also trying specifically on juul, we want to be specific on how we proceed - they talk to 15k youth every year on their tobacco

██████ - what you're encounteringinthe schools, it's mixed literature because you're making yourself a part of the problem and

a

ashley - julie & her team did habve that problem but we're actively working w/schools now;

██████ thoughts: I'm alarmed when i see cnn's headlines as this is the health problem of the decade when we see it as helpful for the decade. my feeling is that these devices are vulnerable adn that hardly anyone is talking about the tremenduos benefits; no one is mentioning that people aren't smoking anymore -only that youth are juuling - you're trying to tamp down the panic among youth but it's our job to stimulate the other side of the picture....

██████ - going back to tom's question and mitch's expected statement w/him playing his role at fda - we expect you to take agresive, preemptive action - that could be so much pressurefor ypou to do something - we've got to be really careful that you don't take actions you don't need to take ..along those lines - your thoughts about the fkavor labeling and changing the labels to make them slightly less kid-friendly - that's an important conversation on whether it's

agood idea to change the labels on the flavor but not take them off the market -

kevin - you were in our mtg yesterday, this dialogue is helpful, not trying to interpret zeller's commentary but his tone re: preemptive action - take flavors from your portfolio and restrict sales to retail; our challenge w/that is we're minimizing our mission -we'll have data to show the flavor journey; are you going to restrict cig sales to retail? we're in a challenging situation where the org feels paralyzed like we can't do anything - we were about to launch a lower strength nic product that we feel would be beneficial to our users who want to change their relationship with nicotine, there's concern that if we do that then the fda will allege we've lowered the nicotine to make it more appealing

we're the only one of the 5 flavored produces who don't have lower strength nicotine, it would nbe hugely beneficial - we'relooking at a number of things, there's opportunity to modify the names, ,e.g., get rid of 'cool', keep the 'cucumber' - droo medley for 'fruit' - we don't want to be viewed as over-reacting, we want to be careful not to be viewed as toned deaf....we think it's perfectly aligned w/our mission - we're going to lose

immediate strong reaction -when y0uo get into controversial situations, always do what you think is right and ket the chps fall where they may., a reduced nic version makes a lot of sense and the fda is on an analogous track w/combustibles; you do something that's relatively minor w/potential negative reaction but your core decision must be made on what you thibnk is right

timing is everything - any changes you make now will be viewed by fda and court of public opinion

comment - push back a little bit in sayint we're not big tonbacco and put them out of business;

can you change the label or drop the nic content? - ashey: yes; pretty sure we can - we're not changing the

- have you market tested what the name change to youth appeal? or is this intuitive  
kevin - we tested through the 5k person panel aith 500 students 13-18; it had virtually no change un youth pereception;

- a couple of thoughts on this: the moral panic created around this - the idea of tinkering w/the flavor descriptors isn't right, also not right to characterize rhe rizew of juul in schools - driving out smoking and making smoking uncool is a positive win. you need more assertive, more agfressive narrative about this. it's a greatr american success story - zeller will never be happy with anything you do....what is actuallu going on here - it's not really borne from authentic conern asnout kids but to create a climate for your adversaries like truth and tobacco free kids want much stricter regs - my feeling is that you be more calmly assertive and not just take all these things from fda and newspapers at face value. what is fda doing to reduce smoking in schools? be more assertive and confident about what you're really doing.

AG Miller saved Truth' survey w//sample size of 25? highly based on demographics and zip code (Scarsdale and Palo Alto High), read that report and go to epidemic based on 7% use rate....it'd not that difference - whst's happening w/juul is probably displacing other vaping and smoking - you're not an epidemic....Truth survey's been very selective w/the data they release...Isaac asked for full data set bc truth hasn't released all the data that would give us info on frequency of use every day or once or twice a month or how many were already using other tobacco and e-vaping we'd expect 80% of them to be already using based on CDC data....

If you switch you're admitting that where you were was problematic. Please don't accept these changes if it's not going to make a difference w/youth use. I'd be robust about this. No one ever cracked the holy grail of how to prevent youth from doing what adults don't approve of....

Kevin - mango didn't test any higher w/youth than it did w/adults - it's not a youth oriented flavor attracter,...

anyof the changes you're making now are yielding the high ground and opening a door you don't want to open. in the long run, you're not pushing back saying we're here to put tobacco out of business; where are the data on youth who wouldn't have used anyway≥..until you can prove we're leading

T. Miller - I think the panic is beginning to dissipate. i say that because the totally one-sided alarming stories ha=ven't appeared for awhile. current stories aren't as good as they were - ashley's doing a good job talking to the media; tom miller's taking some of the steam out of the pabnic; some of the truth figures are terrific - they show there's no epidemic here - it's hard to keep people in a panic mode for sustained period. it's moving in the right direction and all the more reason for you to do what you think is right

--

**Julie Henderson**

Juul Labs 560 20th Street, San Francisco, CA 94107

photo juul labs sig2 zpsb4v2zjvf.jpg

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# Exhibit 7



# Marketing Requirements Document

## New flavor introduction: Q4

### OVERVIEW

It is proposed to introduce three new Pod Pack flavors in Q4 to be sold on JUULvapor.com and in the vape channel.

Our goal is to provide consumers with new flavor varieties throughout the course of the year. By doing this, we'll be positioned to add incremental revenue to the business, gain consumer data and allow us more opportunities to engage with our customers.

The proposed flavors span across three different flavor categories:

#### 1 Dessert flavor

- Lemon Poppy Seed
- Apple Crumble

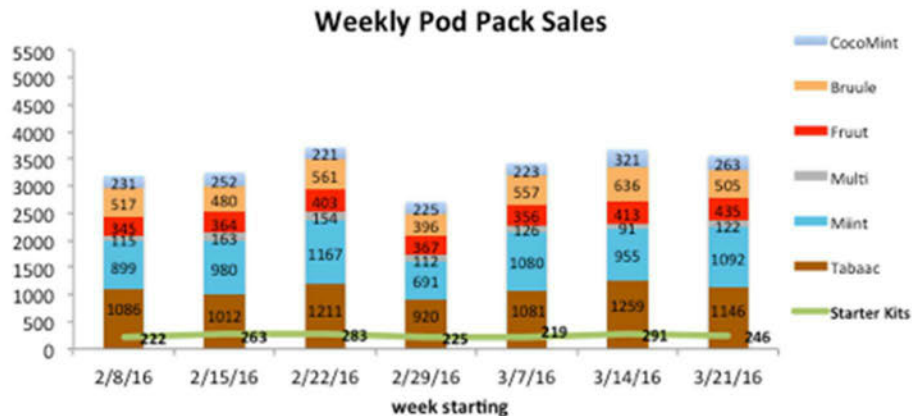
#### 1 Alternative flavor

- Lemon Tea
- Cool Cucumber
- Peanut and Jam

#### 1 Holiday flavor

- Improved Coco Mint
- Cinnamon Snap

These product launches give us the opportunity to offer consumers a new flavor in the Dessert category, where our current Crème Brulee flavor is underperforming:



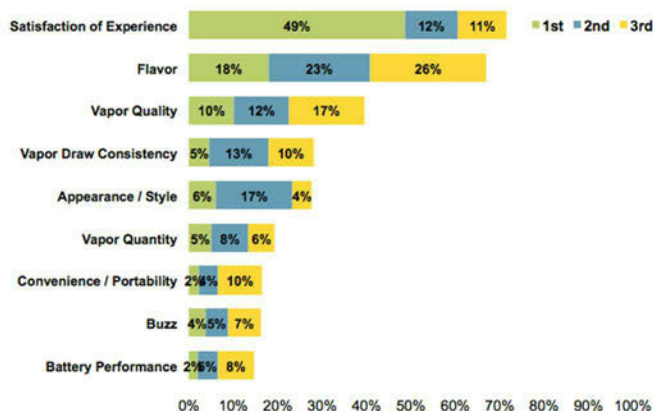
In-market date for the Dessert flavor and Alternative flavor is slated for October, while the Holiday flavor will have a November launch date. Time in market for each flavor will depend on performance, however the recommended order quantity for launch is X (% for vape, % for eComm).

### VALUE PROPOSITION

Based on our initial focus group testing on JUUL, we've identified that flavor quality and flavor variety are among the most important factors for current and prospective vape consumers:

### E-cigarette/Vaporizer Characteristics Importance Ranking Selected JUUL

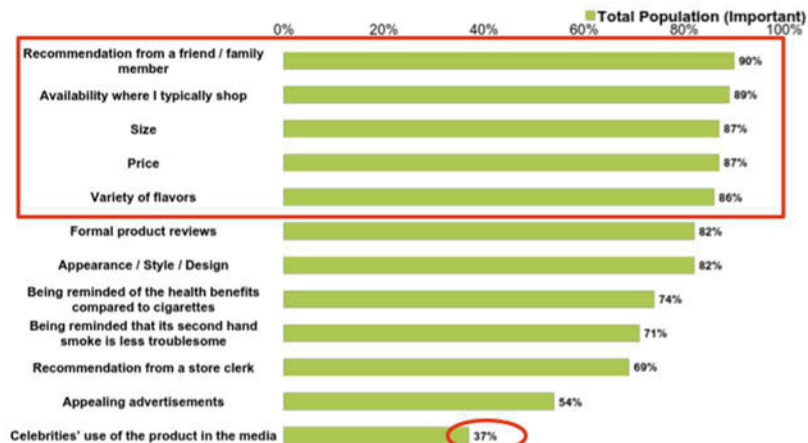
**Satisfaction of Experience** was the most important characteristic of a e-cigarette/vaporizer, followed by flavor – consistent to total population results.



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**Please indicate how important the following factors are to your purchasing decision of e-cigarettes or vaporizers?**

Product recommendations from friends/family, product availability, price, size and flavors are very important factors when considering to purchase an e-cigarette or vaporizer. Celebrities using the product in the media does not influence their purchase decision.



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Based on this information, we recommend a consistent flavor introduction schedule to appeal to current and prospective consumers. This strategy will allow us to continue to build momentum in the marketplace and generate excitement around the JUUL brand.

## MARKET OPPORTUNITY

The vape community has a strong 'flavor chaser' community – consumers who are passionate about testing new flavors, writing reviews and communicating best flavors via social media, blogs, forums, etc. Expanding our flavor portfolio will provide a stronger proposition for these consumers to try JUUL.

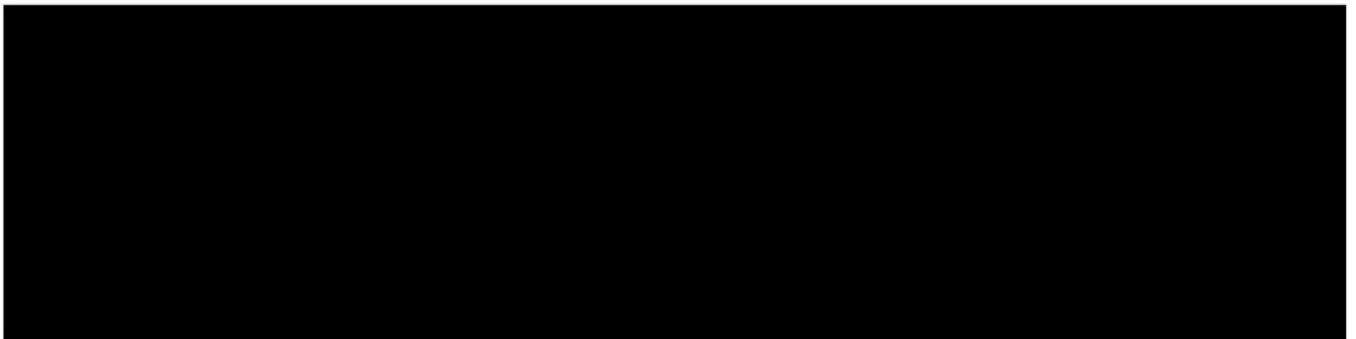
Furthermore, Industry trends are showing that 84% of vape brands offer fruit flavors, 80% offer dessert flavors, 77% offer alcohol/drink flavors, and 25% offer snack/meal flavors. By expanding our flavor portfolio into these categories, we gain better positioning in the market to appeal to a wider range of consumers.

Providing consumers with a steady offering of new flavors will give our current JUUL customers new products to purchase, leading to incremental revenue.

**VALUE OFFERINGS:**

- Test the value of adding a new Dessert flavor in the eComm and Vapor channels to provide insights into how it performs against our current Crème Brulee flavor
- Gives us a consistent product introduction roadmap for building momentum in the marketplace
- Provides current consumers with more products to purchase
- Gives us more opportunities to test SKUs and offers to aggregate consumer data and purchase behavior
- Allows us to test product performance to determine if these SKUs are viable for the C-store channel
- Improves sell-in value proposition for onboarding new accounts

**REGULATORY/LEGAL ANALYSIS:**



# Exhibit 8



**From:** Julie Henderson on behalf of Julie Henderson <[REDACTED]>  
**To:** Julie Henderson  
**Sent:** 5/30/2018 1:12:49 PM  
**Subject:** Mtg w/[REDACTED] - Education from corporate entity

For-profit Corporations shouldn't be mounting a lead against a major health problem in public schools - a conflict of interest;

Collective wisdom of what the past brought them from 'in-the-schools'; concussions of what was reached in the effects

Two big issues:

2nd is nuanced - what we know about kids who are most open to sensation-seeking kids using any form of mind altering drug or any behavior that's a risky behaviors - concentrated in a certain type of ghoult and correclated w/those who aren't warm/fuzzy toward adult authority figures- Adult figures w/in the school not the best ones to

What's the best way to educate about health risks, best age adn best venue - these will be politically thankless efforts - same way asif coca cola were there saying balance your energy output w/calorie input----

reason she sent the information - she's got a view, thinks we run a bigger riskon the path we've chosen to take; what other paths do we need to take?

The negative is greater than a positive ----ashley hasn't gotten everyone to agree w/that perspective; anheuser busch is a product that's made for adults, not for kids and they've learned to get out of schools ---

HOW COULD WE BE HELPFUL - [REDACTED] thoughts/ideas that go beyond

\* extant curricula will cause us real, serious problems -

\* last week, the marketing agency [REDACTED] who loves [REDACTED] described [REDACTED] as brave - had some really industry feedback and interesting ideas: fieldwork - the kids from this generation are very different from the previous generation

Could we create a new legacy? - Ashley;

[REDACTED] - yes, that could happen w/the opioid settlement, a decision will bemade with the public education arm of that, even though....her proposal and brief note to tom which is what sh'es propopsing to tom miller in better shape for sharing with others if he wants to; has kevin burns spoken to tom a month ago? Proposal: exists the settlement agreement signed by 46 state AGS, including all tobacco cos....strong incentives for future companies to join it or they'll be sued under the forms of litigation open from before, you have rto pony up when you sign retroactively - presently even tho product doesn'r contain robacco, it's still a tobacco product. Though the FDA decided to delay the processes they'll take for us. the msa should be amended to create a legacy 2 in the master settlement agreement, legacy is 9 pages

msa foundation - search this for the legacy that was created by AGs, an independent foundation that can be amended by AGs to create a pool of funds (provided by manufacturers - all e-cigs that want to sell in the US) - and this new entity (MSA Foundation #2 would give out the dollars. There'd be 11 board members, some elected and 5 would be public health experts.

Ashley likes the idea of an independent foundation and AGs involved, but the boatd needs more than govt officials, there need to be more domain experts (epidiomologists, pediatricians, ) Truth is being taken over by politicians who are overtaking the scientists...

Public health foundation at NAG....when you open the msa to open negotiation, they'll make you stop flavoring and

they won't settle for opening it up for the foundation - it will open it up...in terms of the structure of the foundation, the msd parties, would prefer to have AGs on the board, a couple of AGs, they brought in governors and legislators because they were returning to the state coffers the money that states expended for caring for tobacco smokers, thereby inherently representing the states that had been impacted. We could negotiate what the board could be made of - tom could create the foundation and we could join, but we couldn't have a seat on the board, we could say what the mission is, but we can't be on the board. PZerte could deliver for you when you state that the mission is to eliminate cigarettes. We could create 2 foundations: 1 as private foundation for juul, the second is something we have nothing to do with, but who's on the board re: their expertise (economist, pediatrician, epidemiologist)

We feel flavors are very important and we're ok w/the foundation or others do research, and we're not going to get rid of flavors without the data - ---

██████ - if you want to form this corporation to do good work in the communities where your company is located, don't fund in the tobacco states ----that's where coca cola/tobacco/alcohol have run into trouble.

ashley - we're not going to be the arbiter of all of this,...we're trying to flush it out and

Returning to what J's doing: if she were to continue this work - if schools reach out to us, it's not appropriate to...if julie were in this priv foundation, how can we have some interaction when people reach out to us... cheryl- foundation may be better site for julie's employment overseeing education grants;

██████ will work to push back, tom should pick the ags who did the great work on the legacy work over six years, they let us go forward w/litigation against the whole state of OH

trdtp - tobacco research - CA already has broad research and policy analysis; just got a big infusion of funds with the amounts we got from additional tax on tobacco - all of the applicants had to be through the estate of ca, if ag is willing to work w/separate 501(c)(3), it can make grants all over the country - everyone can apply for the money, and would allow julie to exercise her talents on a micro level w/out this horrific downsize -

Foundation for a Smoke-Free World - tom was blind-sided by what happened w/them....

ashley, hopefully we can keep talking, we need to get tom's thoughts and get all of us thorough to hash through all of this stuff.

██████ - she's put a call in to mitch zeller, asking to speak with him to ask how we are to work w/the fact that you're sitting on tons of data and no real way to get it analyzed. NYU wants to do it unless they're told no - they probably will be, but this can be turned around; recommendation we should try RTI for analyzing the data we have; they had the evaluation contract for truth/legacy for 10 of the 14 yrs cheryl was there. they'd have the ability to wall the people off to ensure there'd be no conflict or even the

Teen Attitude Tobacco Program (keeping tabs on kids through surveys on-phone)

CA A.G. can announce a

--

Julie Henderson

Julie Labs - 560 20th Street, San Francisco, CA 94107

photo julie labs sig2 zpsb4y2zjvf.jpg

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# Exhibit 9



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**From:** [REDACTED]  
**Sent:** 6/3/2018 5:12:04 PM  
**Subject:** Notes/Summary and Details on Juul Efforts

Notes/Summary and Details on Juul Efforts

**The summary -**

- \* We're aware of the animosity and understand that it's due to the product's popularity among youth which we believe grew, in great part, as a result of its prolific presence on social media. We share the public's concern about youth use of JUUL and all other nicotine products, and are committed to combatting this problem.
- \* The same flavors that are popular with adult smokers trying to switch to a nicotine alternative seem to be just as popular among youth who may initially be unaware of the product's nicotine content and its intended purpose to displace combustible cigarettes. Research and education cannot be under-estimated or under-utilized in ensuring a balanced remedy to this seemingly 'either-or' conundrum.
- \* We have undertaken several measures to counter youth access and use - many of which you cited in your last email - and some have begun to gain momentum. We continue our efforts, and welcome help from any and all who wish to join us in getting the message out.

**The details -**

Despite our very limited advertising (exclusively limited to our corporate web-page, Facebook and Instagram customer service pages), there have been countless videos, memes and other postings on multiple social media outlets, including e-commerce sites, that we have actively sought to take down. We have not and do not authorize or sanction these postings. We've become fairly successful in getting e-Bay and Amazon to remove most of their postings and won't rest until none remain. Most of our success has been with e-commerce sites for removing ads for potential sales. Unfortunately and despite ongoing efforts, we have had little to no success with Snapchat, Instagram, Redditt and others who argue that such take-downs would violate first amendment rights. Likewise, we've been very active in getting third parties to stop manufacturing t-shirts, caps, device covers and other materials that 'promote' our product. We do not manufacture such items and do not authorize others to do so. This violates our marketing policy.

As I shared previously, early data from smokers indicate that the flavors are essential in helping them to switch from combustible cigarettes. My understanding is that we have limited our flavors to those that mimic flavors used in nicotine gum as part of a Nicotine Replacement Therapy approach to cessation. Though we are not a cessation product, we aim to provide a nicotine alternative that could make cessation a more realistic goal for smokers. We continue to research the role of flavors in switching behaviors, and will provide this information as soon as it's available. At the same time we are committed to restricting both the flavors and labeling of flavors so that they appeal primarily to adult smokers. We do not manufacture or condone manufacturing of flavors designed for youth, (e.g., "cotton candy", "bubble gum", "gummy bear", "cereal" etc). It is our hope and intent that we can find a healthy balance on this issue that would enable adult smokers to access flavored nicotine alternatives that support their switching efforts while concurrently keeping the product from appealing to youth.

Finally and of no small consequence, we're actively and aggressively engaged in multiple initiatives for eliminating sales to youth by retailers, educating the public to eliminate social sourcing, raising awareness among parents, educators, and young people about the nicotine content of our product, its intended purpose, and the impact nicotine can have on the developing adolescent's brain and body.

To your final point and affirming suggestion of going into middle and senior high schools, please note that to date

(and since my arrival at JUUL in mid-January of this year) my small but growing team of two lifelong educators and I have reached out to more than 360 school districts and schools - including those in Marin County. We've held more than 60 face-to-face meetings with school administrators all over the country, attended student health fairs (flyers attached), developed and distributed introductory curricula to schools and substance abuse prevention agencies (overview attached, including the parent curriculum), and conducted informational community conversations in partnership with schools willing to work with us. We're currently developing additional instructional materials and prevention curricula aligned with common core standards for multi-media distribution and use in grades 6-12 throughout the country. We're also in the planning stages of an extended Parent Education campaign that I'd love to discuss with you if you're interested and have the time.

# Exhibit 10

McKinsey&Company

# JUUL Flavor Study

PRELIMINARY

JUUL

DISCUSSION DOCUMENT | 6 May, 2018

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# Methodology

- Surveyed three groups:
  - 13 -17, 18+ non nicotine users, 18+ nicotine users
- Sample size: target 5000 completes, currently at 4,113
  - 13 – 17 : 611
  - 18+ non nicotine users: 1000
  - 18+ nicotine users: 2502
    - Typing tool used to apply JUUL segments to nicotine sample
- Flavor index by age group:
  - Based on age groups share of flavor/ total flavor share \* 100
  - e.g. 20%/10%\*100 = 200 Index
- 25 flavors shown to adults, 24 flavors show to 13-17
  - Question: Select top 5 flavors you find **most** appealing?
  - Question2: Select top 5 flavors you find **least** appealing?
  - Qustion3: Thinking about your top 5 favors, which flavor do you find **most** appealing?

DISCLOSURE OF MCKINSEY MATERIALS; PUBLICITY. McKinsey's work for JUUL is confidential and for the JUUL's internal use only. McKinsey will not disclose the deliverables to any third parties without the JUUL's prior written permission. Similarly, except as set forth previously herein, JUUL agrees that it will not disclose any materials or information that McKinsey furnishes to JUUL, including the deliverables, to any third parties without McKinsey's prior written permission. **Each party further agrees not to use the other party's name in any communication with any third party without the other party's prior written permission.**

# Preliminary read of flavor preference (percent)

## Ranking of Flavor by Age, % selected as top 5 flavors you find most appealing

Flavor			<u>&lt;21</u>	<u>21+</u>	<u>22-24</u>	<u>25-34</u>	<u>35-44</u>	<u>45-54</u>	<u>55+</u>
Virginia Tobacco			0%	5%	1%	2%	3%	5%	7%
Cotton Candy			10%	5%	8%	6%	6%	5%	3%
Gummy Bear			8%	4%	7%	7%	6%	4%	2%
Cool Mint			6%	7%	5%	6%	7%	7%	9%
Mint			7%	7%	5%	6%	7%	7%	8%
Menthe			0%	4%	2%	3%	4%	4%	5%
White Ice Mint			4%	5%	4%	4%	4%	5%	5%
Vivid Vanilla			8%	6%	6%	5%	5%	7%	6%
Strawberry Brulee			6%	6%	6%	7%	7%	6%	5%
Creme Brulee			3%	4%	3%	4%	3%	4%	5%
Creme			4%	3%	3%	3%	3%	3%	3%
Fruit			9%	6%	11%	6%	7%	6%	6%
Fruit Medley			5%	5%	7%	5%	6%	5%	5%
Fruit Chill			4%	4%	5%	4%	4%	4%	3%
Medley			0%	1%	1%	1%	1%	1%	2%
Mango			8%	6%	10%	7%	6%	6%	5%
Orchard			1%	2%	1%	2%	2%	2%	2%
Cool Cucumber			1%	3%	1%	3%	2%	2%	3%
Cucumber			2%	2%	1%	3%	2%	2%	2%
Guava			2%	2%	4%	2%	2%	2%	1%
Lychee			1%	1%	2%	2%	1%	1%	1%
Guava Lychee			1%	1%	2%	2%	1%	1%	1%
Cinnamon			5%	6%	2%	3%	4%	6%	7%
Cinnamon Surge			2%	3%	3%	2%	3%	5%	4%
Chai			2%	2%	2%	3%	2%	2%	2%
Total Responses			3,091	17,474	332	3,777	4,145	3,476	5,744

# Preliminary read of flavor preference (responses)

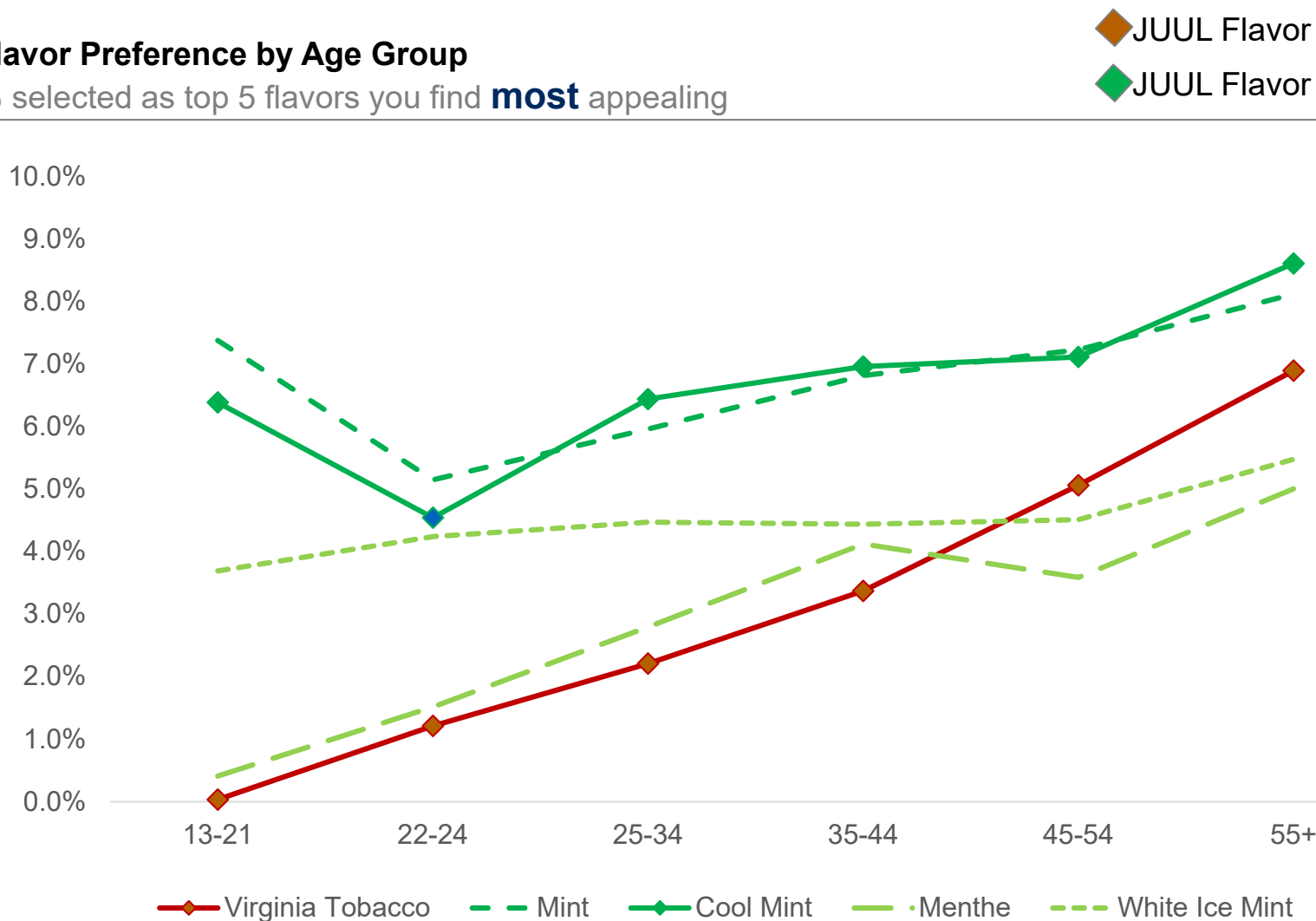
## Ranking of Flavor by Age, # selected as top 5 flavors you find most appealing

Flavor							
	<u>&lt;21</u>	<u>21+</u>	<u>22-24</u>	<u>25-34</u>	<u>35-44</u>	<u>45-54</u>	<u>55+</u>
Virginia Tobacco	1	800	4	83	140	176	396
Cotton Candy	297	883	25	229	259	181	189
Gummy Bear	248	751	22	257	236	123	114
Cool Mint	198	1,290	15	243	289	247	495
Mint	228	1,243	17	225	283	251	467
Menthe	13	694	5	106	171	125	288
White Ice Mint	114	839	14	169	184	157	315
Vivid Vanilla	255	1,049	19	201	218	238	372
Strawberry Brulee	187	1,062	19	268	290	199	287
Creme Brulee	83	715	9	156	143	148	260
Creme	116	504	10	112	113	97	173
Fruit	277	1,123	36	237	288	217	344
Fruit Medley	144	883	22	202	232	168	259
Fruit Chill	127	657	16	166	180	134	161
Medley	14	236	4	33	54	46	99
Mango	260	1,006	32	257	256	195	267
Orchard	37	293	3	68	62	55	104
Cool Cucumber	42	453	4	120	101	80	148
Cucumber	49	377	2	99	90	70	117
Guava	59	307	14	90	77	53	72
Lychee	37	184	7	70	50	27	29
Guava Lychee	27	178	7	67	45	26	32
Cinnamon	155	969	8	126	183	221	431
Cinnamon Surge	63	606	9	79	120	158	239
Chai	62	371	7	114	81	80	89
	3,091	17,474	332	3,777	4,145	3,476	5,744

# Preliminary read of flavor preference (percent)

## Flavor Preference by Age Group

% selected as top 5 flavors you find **most** appealing



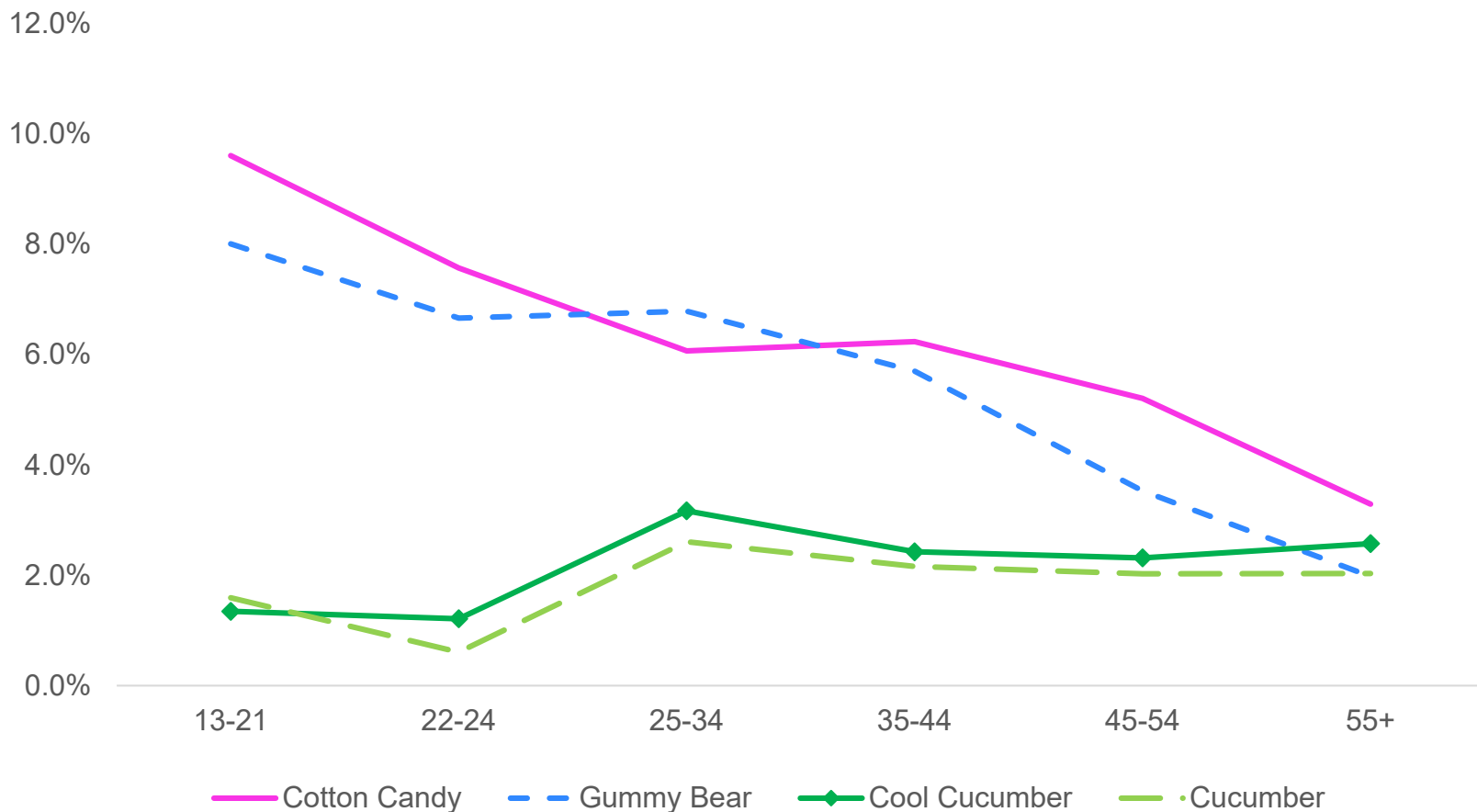


# Preliminary read of flavor preference (percent)

## Flavor Preference by Age Group

% selected as top 5 flavors you find **most** appealing

◆ JUUL Flavor

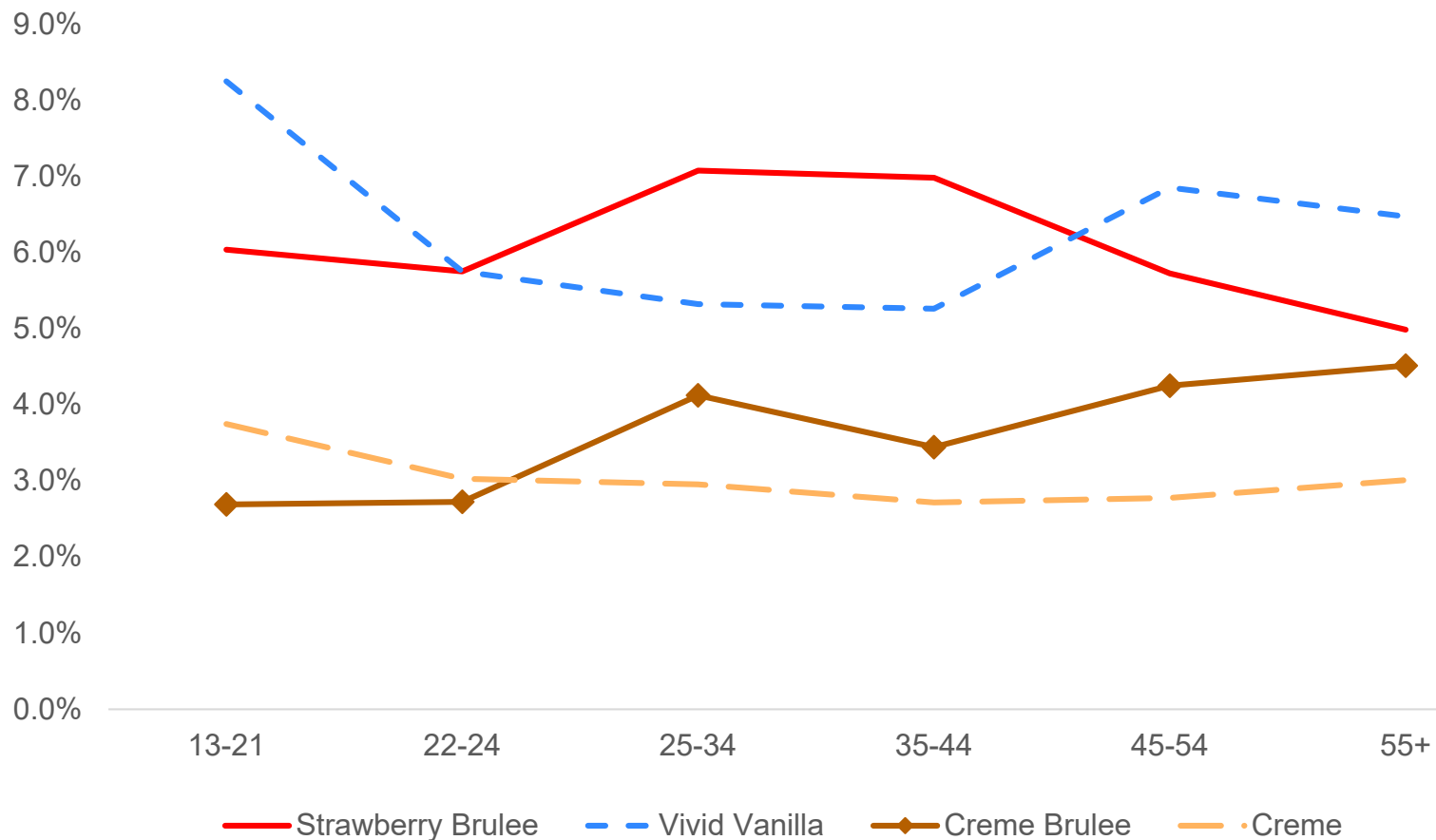


# Preliminary read of flavor preference (percent)

## Flavor Preference by Age Group

% selected as top 5 flavors you find **most** appealing

◆ JUUL Flavor

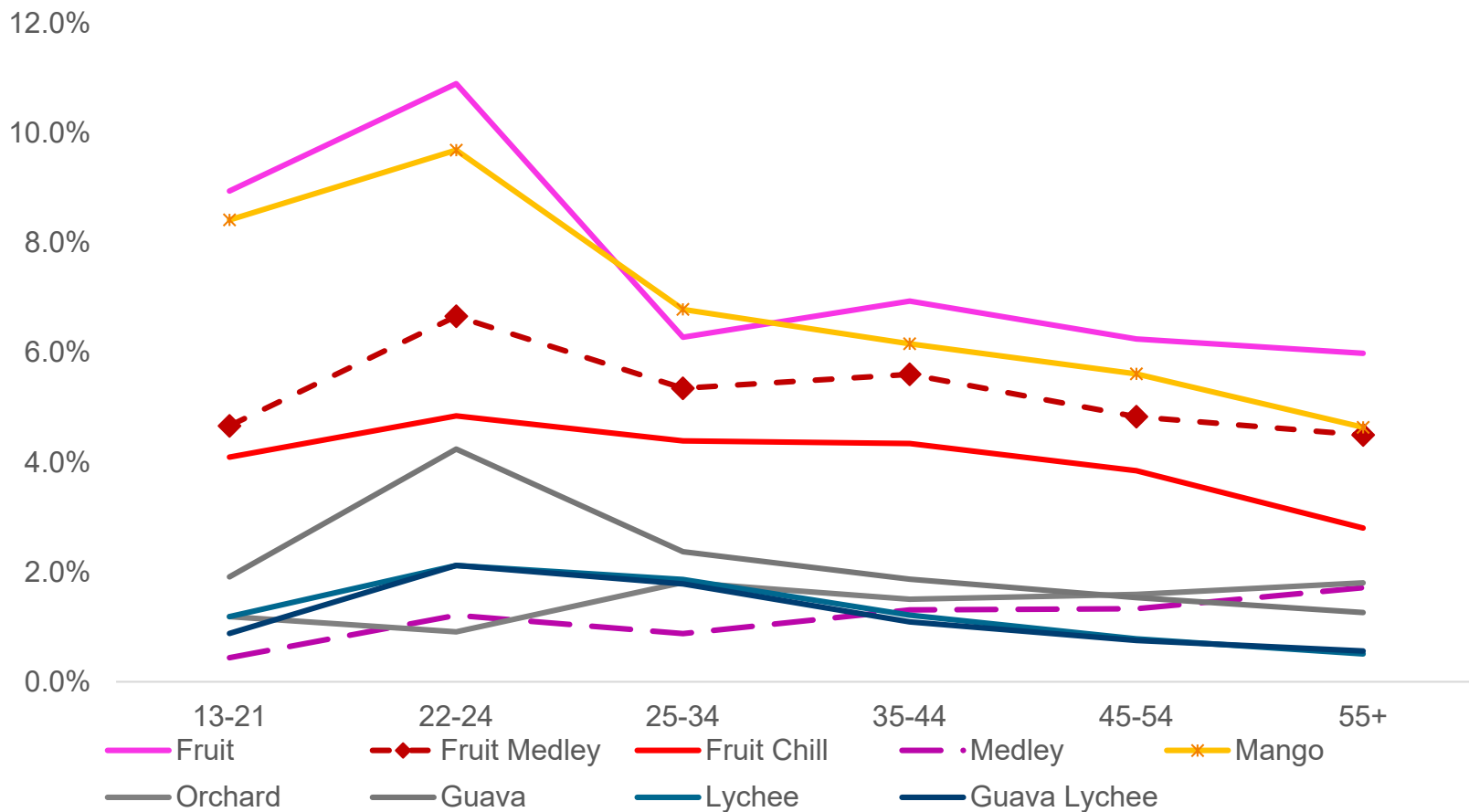


# Preliminary read of flavor preference (percent)

## Flavor Preference by Age Group

% selected as top 5 flavors you find **most** appealing

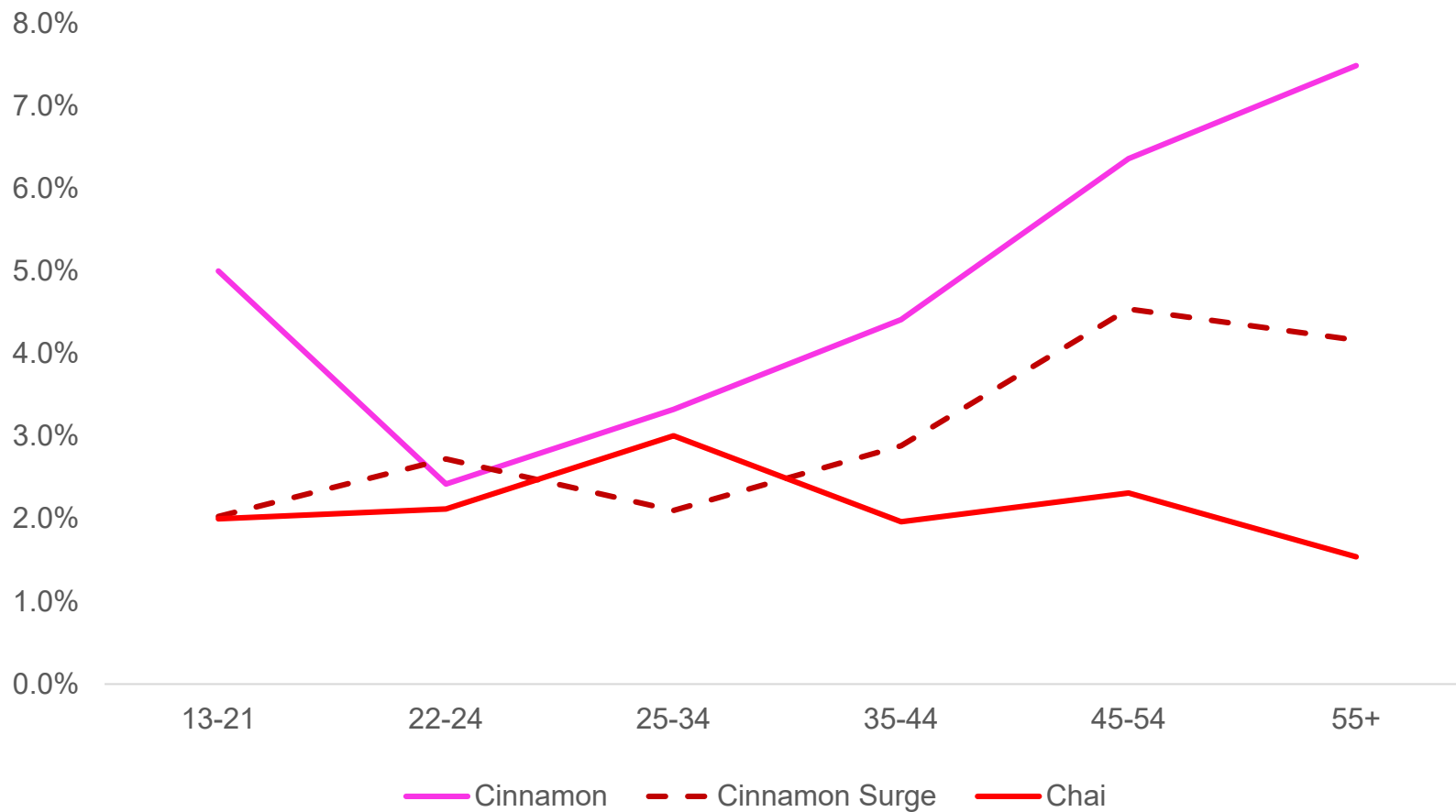
◆ JUUL Flavor



# Preliminary read of flavor preference (percent)

## Flavor Preference by Age Group

% selected as top 5 flavors you find **most** appealing



## Preliminary read of flavor preference (index to total)

Ranking of Flavor by Age, % selected as top 5 flavors you find **most** appealing

		Index										
		Top 5 R		<21	21+	13-17	18-21	22-24	25-34	35-44	45-54	55+
		esp	% Top 5									
Flavor	Virginia Tobacco	801	3.9%	1	118	-	18	31	57	87	130	177
	Cotton Candy	1,180	5.7%	167	88	166	199	132	106	109	91	57
	Gummy Bear	999	4.9%	165	89	165	162	137	140	117	73	41
	Cool Mint	1,487	7.2%	88	102	86	128	63	89	96	98	119
	Mint	1,472	7.2%	103	99	104	90	72	83	95	101	114
	Menthe	707	3.4%	12	116	10	62	44	81	120	104	146
	White Ice Mint	953	4.6%	80	104	80	77	92	97	96	97	118
	Vivid Vanilla	1,304	6.3%	130	95	133	79	91	84	83	108	102
	Strawberry Brulee	1,249	6.1%	99	100	99	118	95	117	115	94	82
	Creme Brulee	799	3.9%	69	105	68	92	70	106	89	110	116
	Creme	620	3.0%	124	96	128	47	101	98	90	92	100
	Fruit	1,399	6.8%	132	94	132	126	160	92	102	92	88
	Fruit Medley	1,028	5.0%	93	101	92	129	133	107	112	97	90
	Fruit Chill	784	3.8%	108	99	110	56	127	115	114	101	74
	Medley	250	1.2%	36	111	35	59	100	72	108	110	141
	Mango	1,266	6.2%	137	93	135	174	157	110	100	91	75
	Orchard	329	1.6%	74	105	78	-	57	113	94	99	113
	Cool Cucumber	494	2.4%	56	108	56	59	50	132	101	96	107
	Cucumber	426	2.1%	77	104	80	-	29	126	104	98	98
	Guava	366	1.8%	107	99	103	201	238	133	105	86	71
	Lychee	221	1.1%	111	98	116	-	198	174	113	73	47
	Guava Lychee	205	1.0%	88	102	79	286	213	179	109	75	56
	Cinnamon	1,123	5.5%	92	101	93	65	44	61	81	117	137
	Cinnamon Surge	668	3.3%	62	107	65	-	84	65	89	140	128
	Chai	433	2.1%	95	101	96	68	101	143	93	110	73
	Total	20,565										

# Preliminary read of flavor preference (percent)

## Ranking of Flavor by Age, % selected as top 5 flavors you find **least** appealing

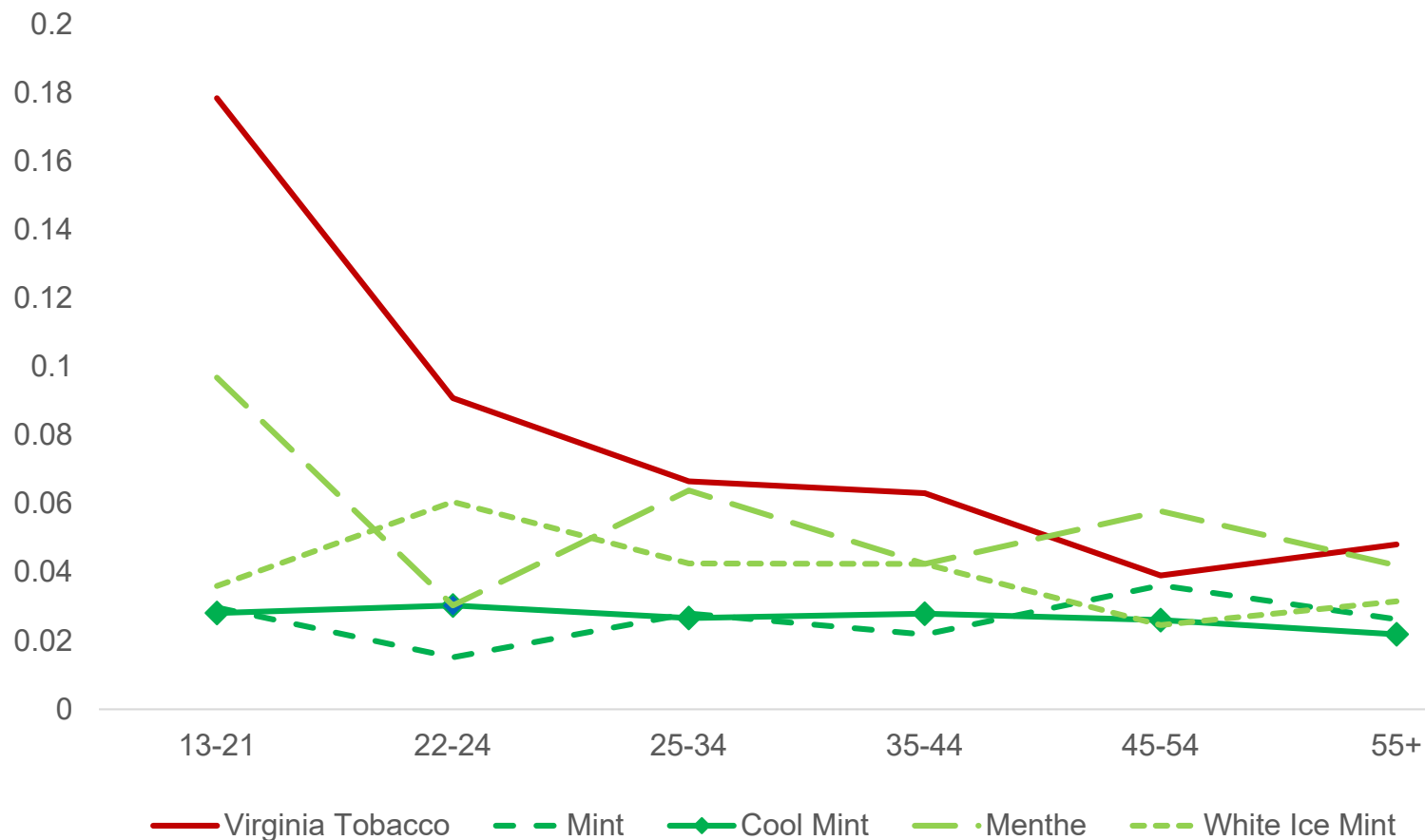
	%					
	<u>13-21</u>	<u>22-24</u>	<u>25-34</u>	<u>35-44</u>	<u>45-54</u>	<u>55+</u>
Virginia Tobacco	17.9%	9.1%	6.7%	6.3%	3.9%	4.8%
Mint	3.0%	1.5%	2.8%	2.2%	3.6%	2.6%
Cool Mint	2.8%	3.0%	2.7%	2.8%	2.6%	2.2%
Menthe	9.7%	3.0%	6.4%	4.2%	5.8%	4.2%
White Ice Mint	3.6%	6.1%	4.3%	4.2%	2.5%	3.2%
Cotton Candy	1.9%	3.0%	3.3%	3.3%	6.7%	6.1%
Gummy Bear	2.2%	0.0%	2.5%	2.7%	3.6%	6.2%
Cool Cucumber	6.4%	7.6%	4.8%	6.2%	5.4%	6.2%
Cucumber	6.6%	7.6%	5.5%	4.5%	6.1%	5.2%
Strawberry Brulee	1.2%	1.5%	2.4%	2.1%	3.0%	2.7%
Vivid Vanilla	1.7%	6.1%	3.1%	2.5%	1.4%	2.3%
Creme Brulee	3.3%	6.1%	4.1%	3.4%	3.9%	3.9%
Creme	2.0%	0.0%	2.5%	2.5%	2.6%	1.7%
Fruit	0.9%	0.0%	1.1%	1.5%	1.3%	1.2%
Fruit Medley	0.8%	4.5%	2.5%	1.9%	1.7%	2.3%
Fruit Chill	1.6%	0.0%	1.3%	2.7%	2.3%	3.0%
Medley	6.6%	1.5%	3.1%	4.1%	2.9%	2.6%
Mango	0.9%	0.0%	2.8%	2.9%	2.6%	3.6%
Orchard	6.1%	3.0%	3.7%	3.8%	4.6%	2.7%
Guava	6.3%	4.5%	3.6%	5.1%	3.9%	6.9%
Guava Lychee	8.3%	1.5%	6.7%	7.4%	7.5%	8.1%
Lychee	7.7%	10.6%	5.7%	6.9%	7.1%	6.0%
Chai	5.9%	12.1%	3.3%	7.4%	6.9%	6.8%
Cinnamon	5.0%	3.0%	6.4%	4.2%	4.1%	2.1%
Cinnamon Surge	4.7%	4.5%	8.8%	5.1%	3.9%	3.3%

# Preliminary read of flavor preference (percent)

## Flavor Preference by Age Group

% selected as top 5 flavors you find **least** appealing

◆ JUUL Flavor

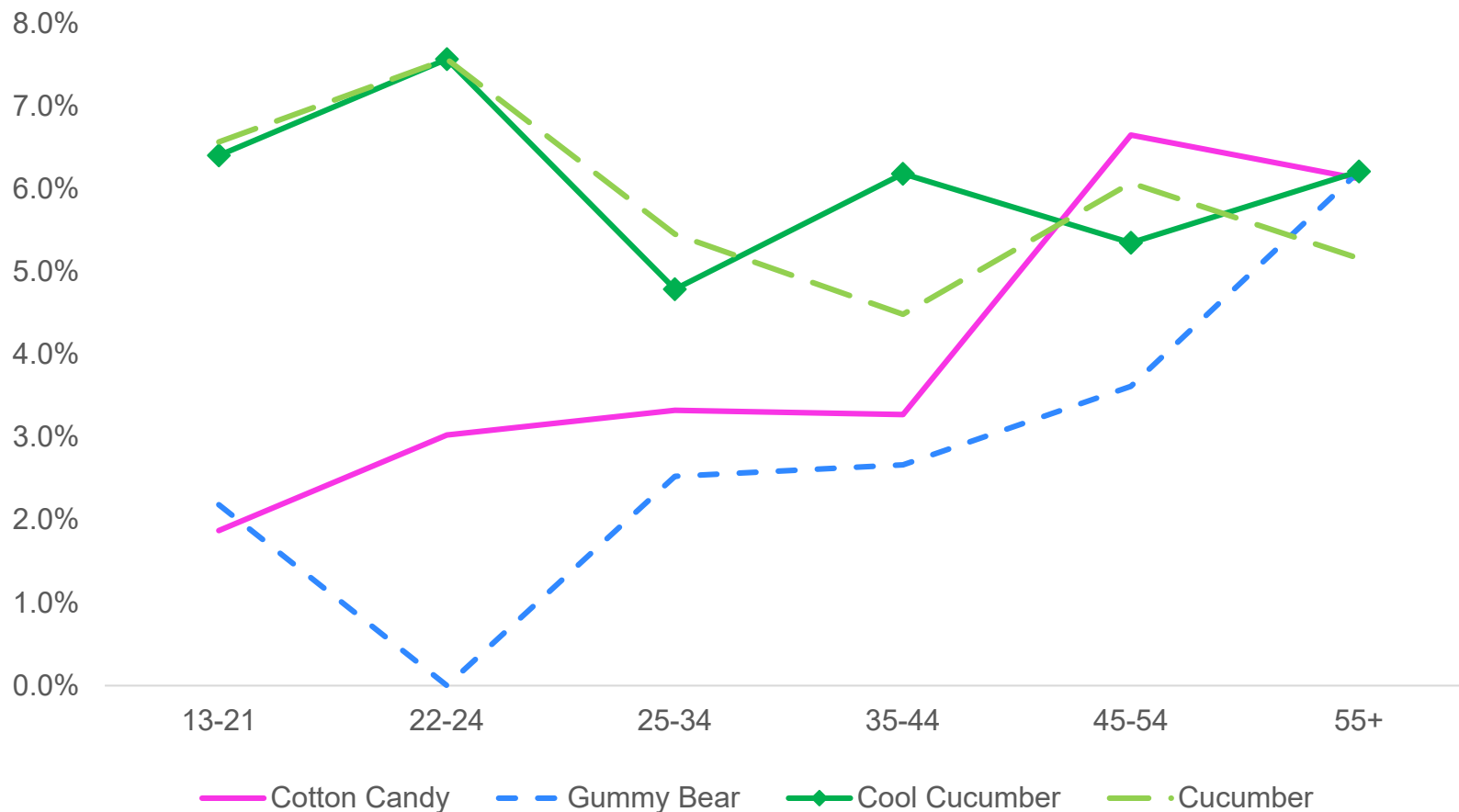


# Preliminary read of flavor preference (percent)

## Flavor Preference by Age Group

% selected as top 5 flavors you find **least** appealing

◆ JUUL Flavor



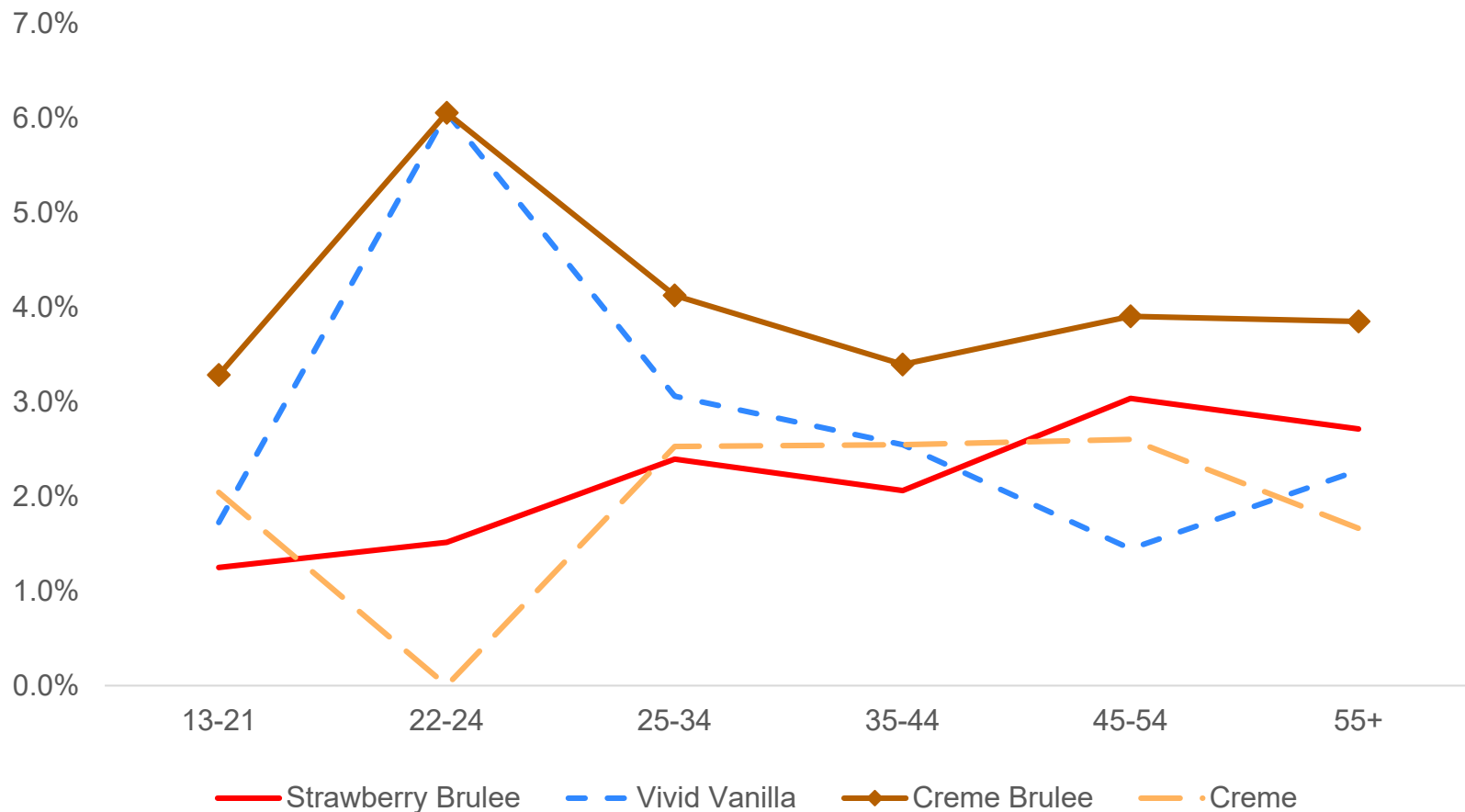


# Preliminary read of flavor preference (percent)

## Flavor Preference by Age Group

% selected as top 5 flavors you find **least** appealing

◆ JUUL Flavor

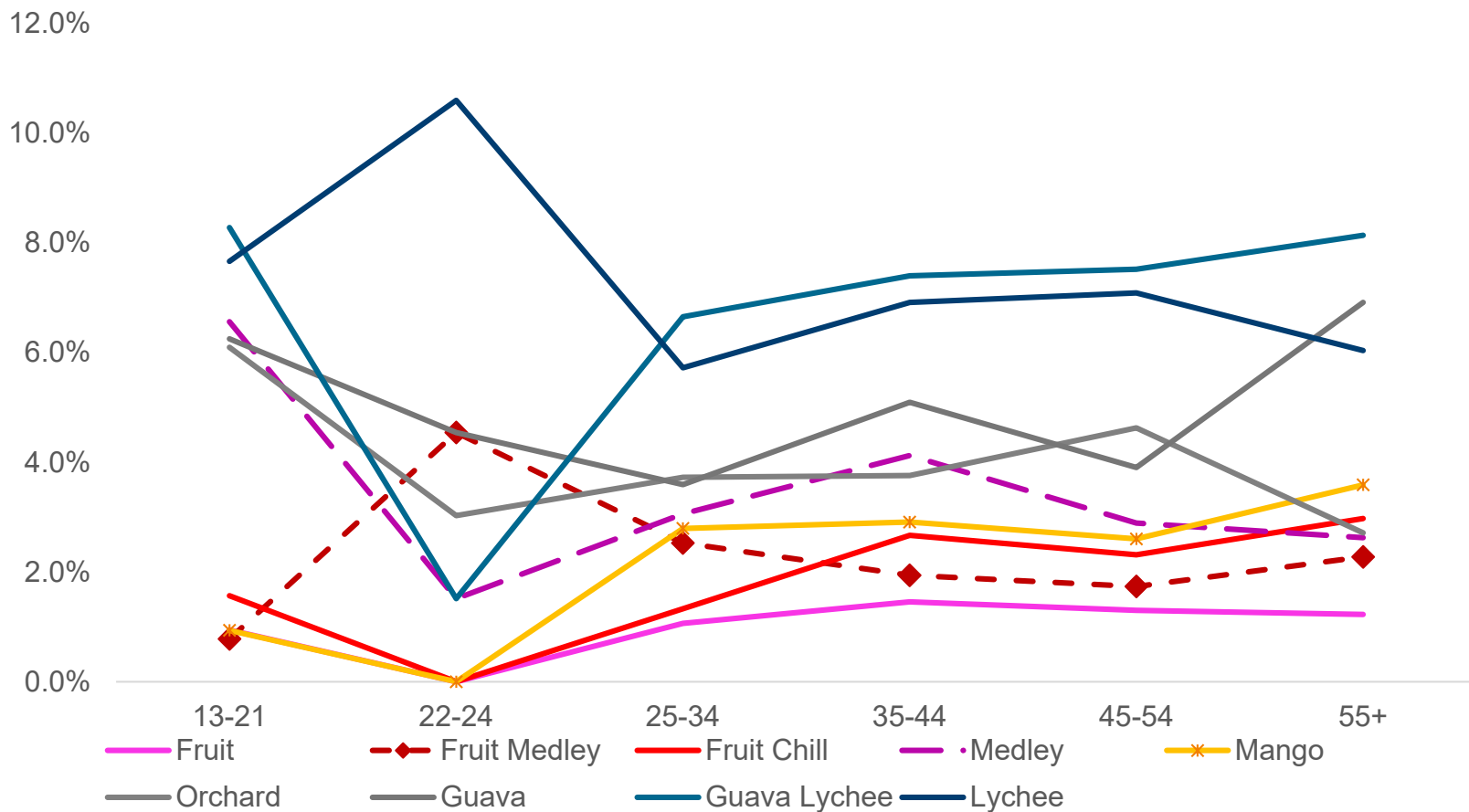


# Preliminary read of flavor preference (percent)

## Flavor Preference by Age Group

% selected as top 5 flavors you find **least** appealing

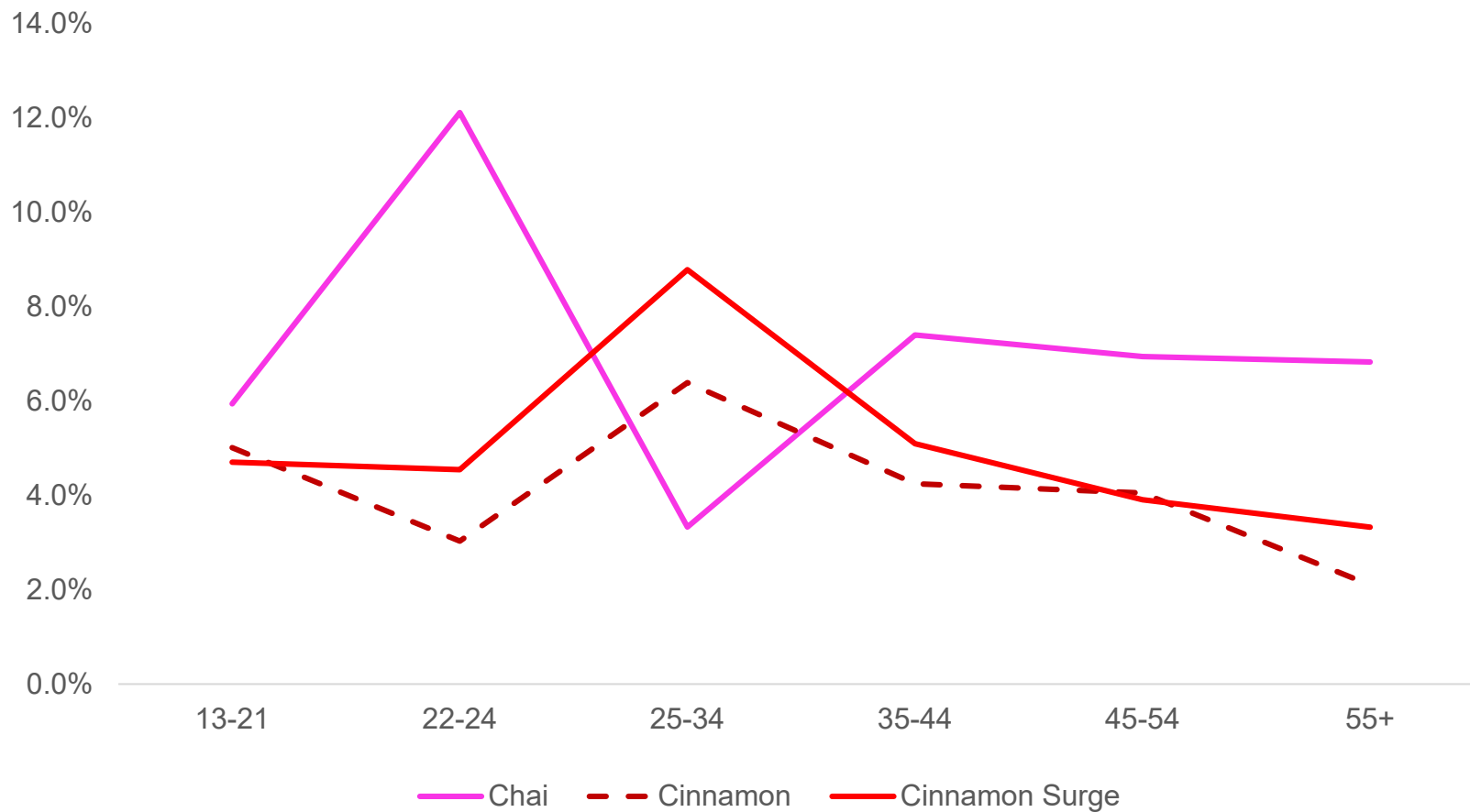
◆ JUUL Flavor



# Preliminary read of flavor preference (percent)

## Flavor Preference by Age Group

% selected as top 5 flavors you find **least** appealing

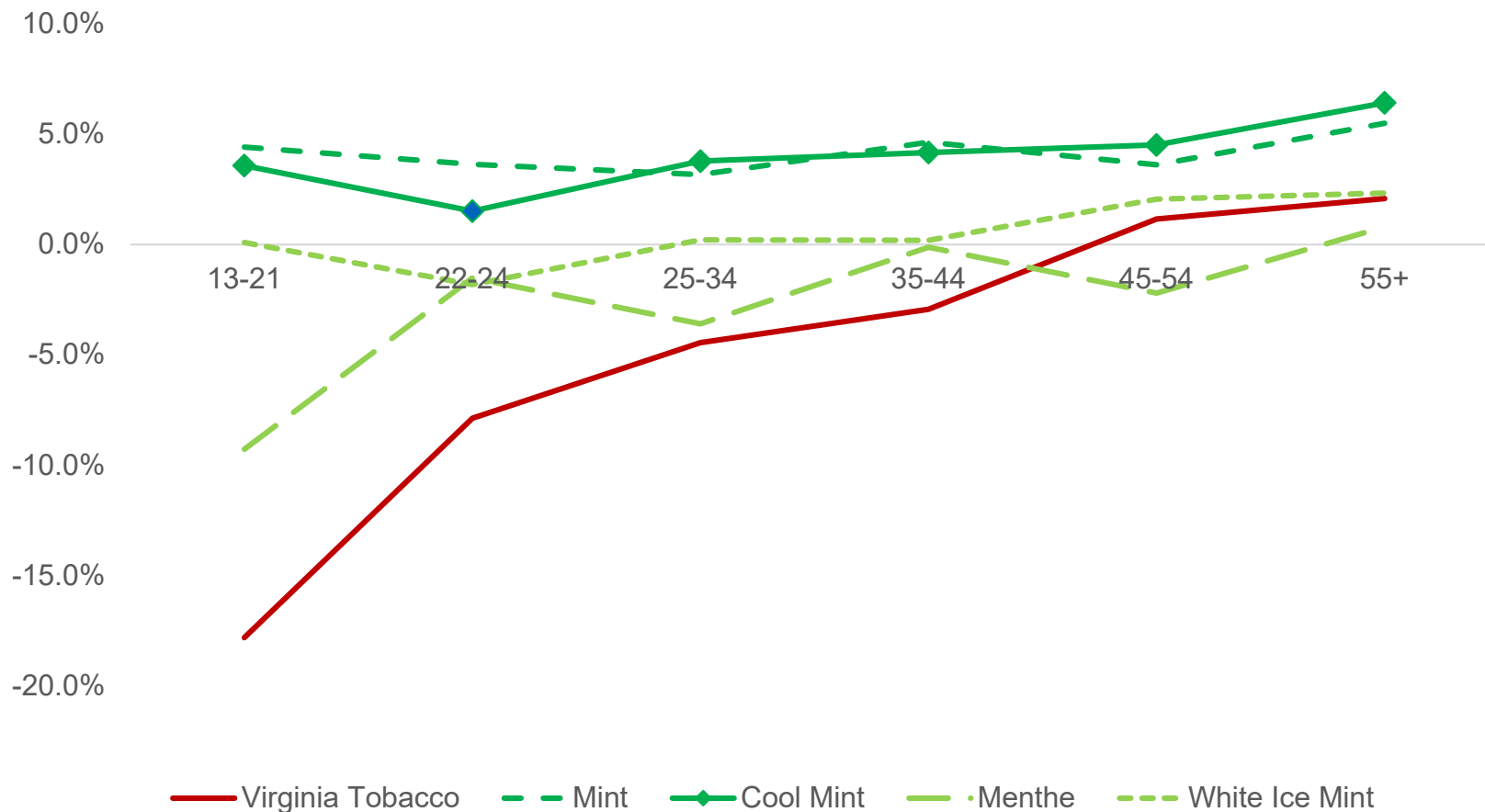


# Preliminary read of flavor preference (percent)

## Flavor Preference by Age Group

◆ JUUL Flavor

% selected as top 5 flavors you find **most** appealing - % selected as top 5 you find **least** appealing

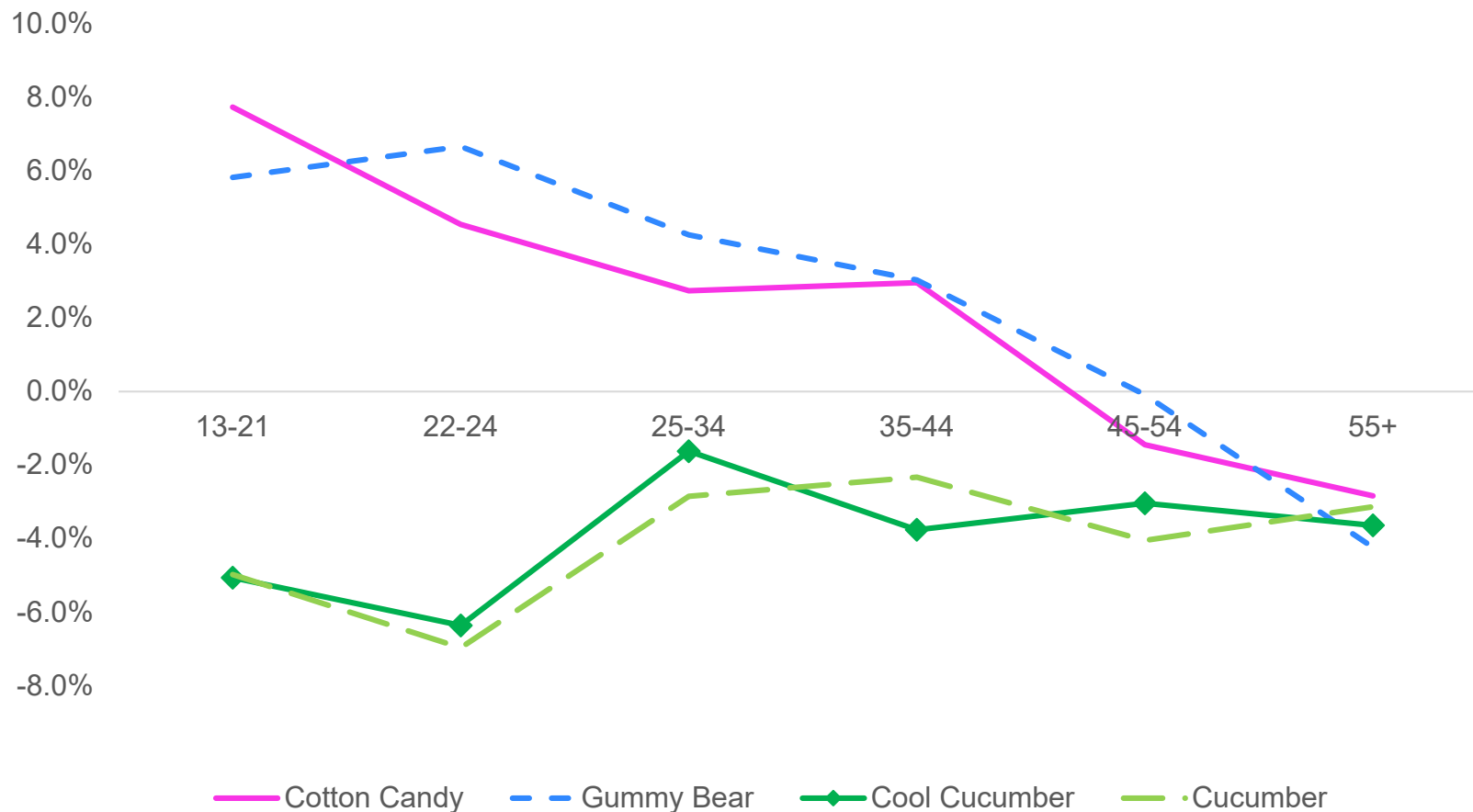


# Preliminary read of flavor preference (percent)

## Flavor Preference by Age Group

◆ JUUL Flavor

% selected as top 5 flavors you find **most** appealing - % selected as top 5 you find **least** appealing

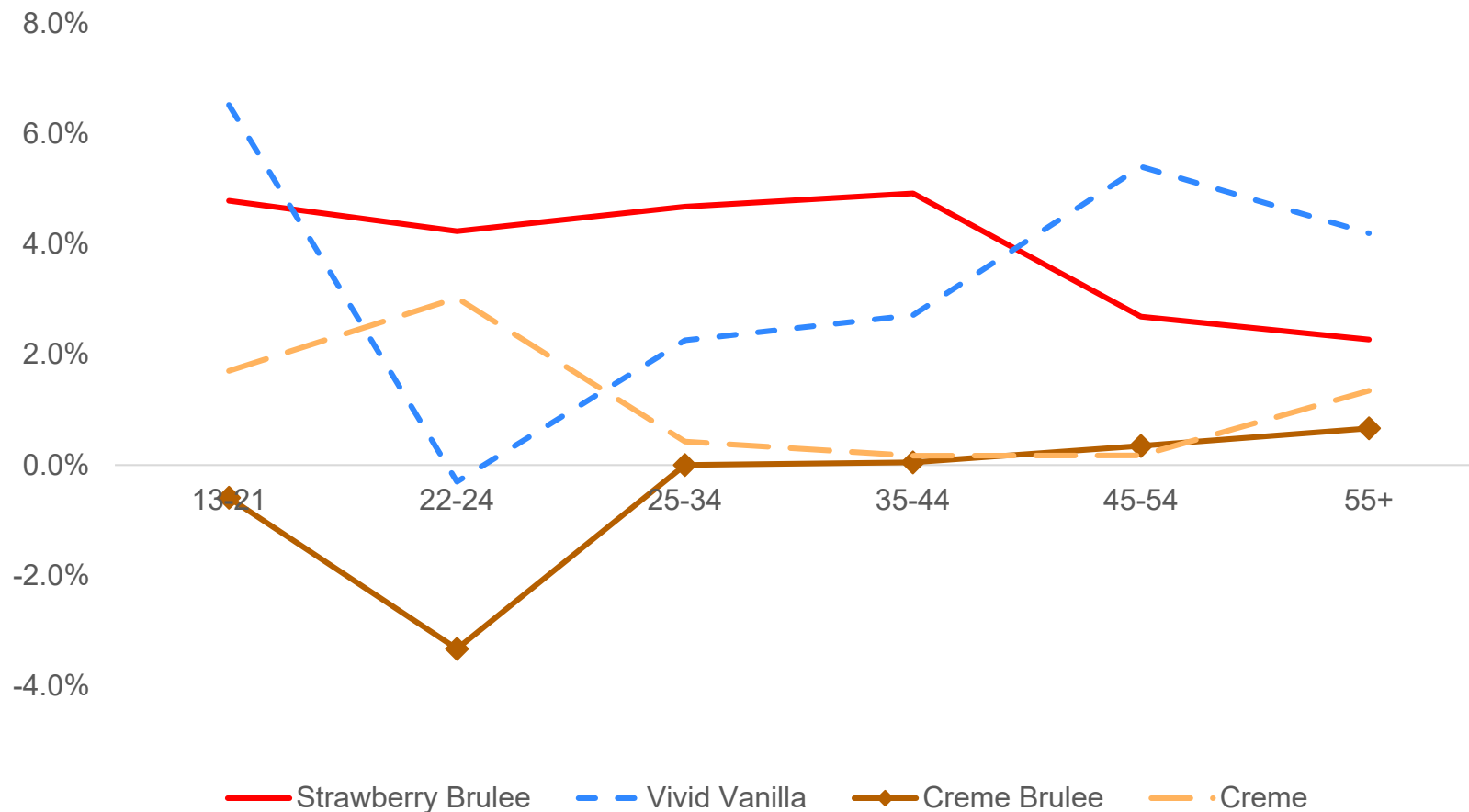


# Preliminary read of flavor preference (percent)

## Flavor Preference by Age Group

◆ JUUL Flavor

% selected as top 5 flavors you find **most** appealing - % selected as top 5 you find **least** appealing

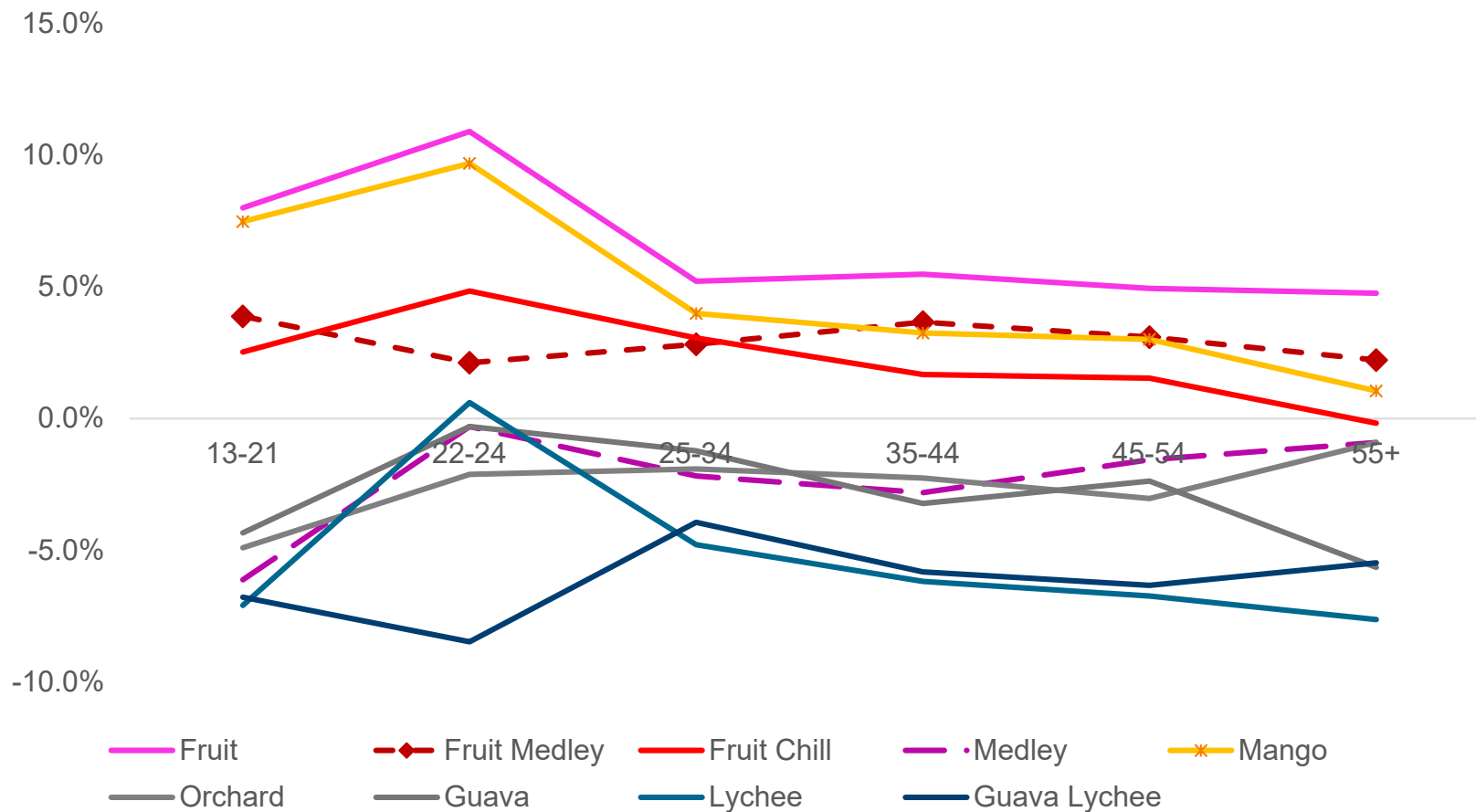


# Preliminary read of flavor preference (percent)

## Flavor Preference by Age Group

◆ JUUL Flavor

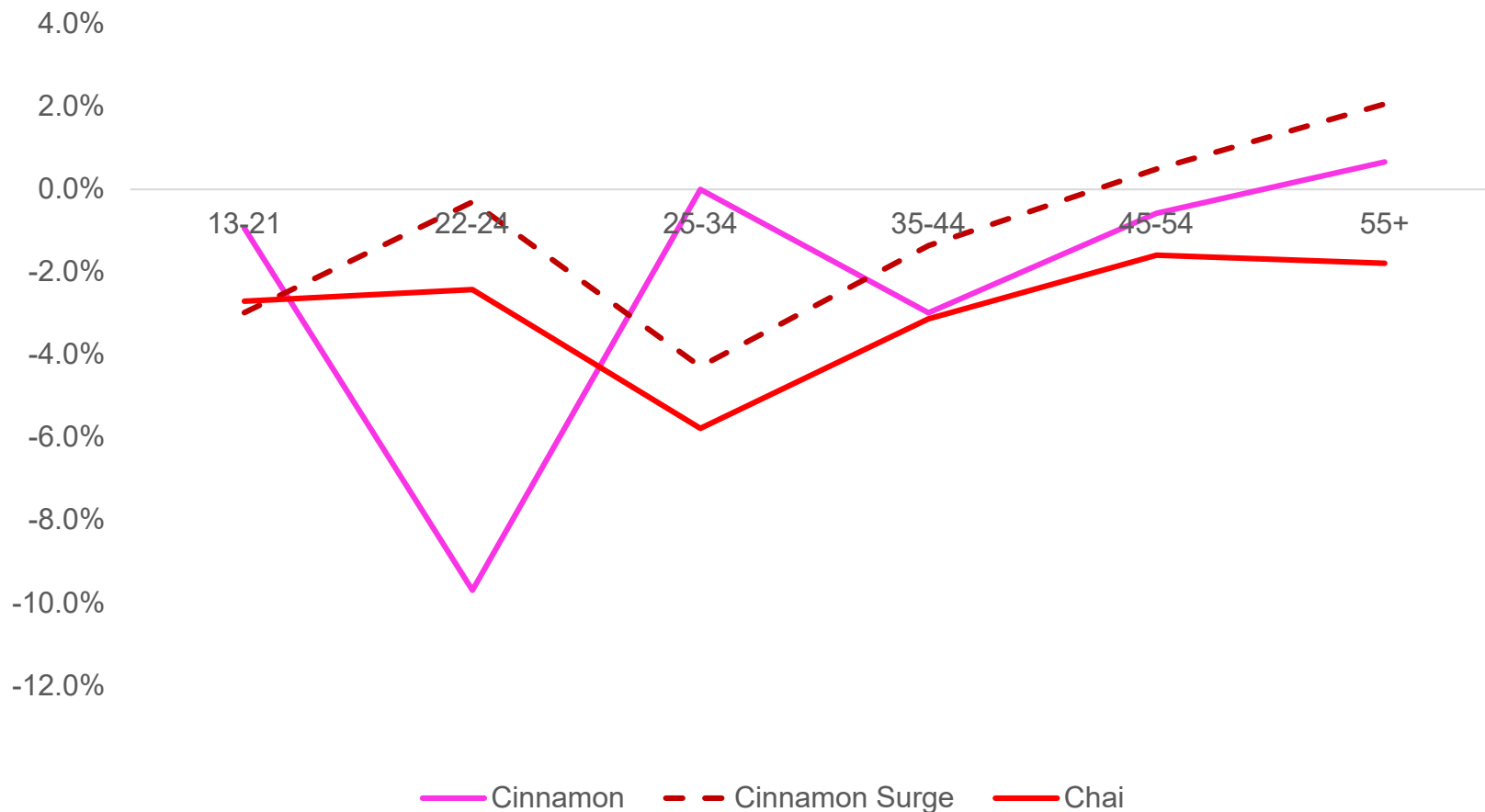
% selected as top 5 flavors you find **most** appealing - % selected as top 5 you find **least** appealing



# Preliminary read of flavor preference (percent)

## Flavor Preference by Age Group

% selected as top 5 flavors you find **most** appealing - % selected as top 5 you find **least** appealing





xx Index vs. total >120    xx Index vs. total < 80

### Ranking of Flavor by usage, % selected as top 5 flavors you find most appealing

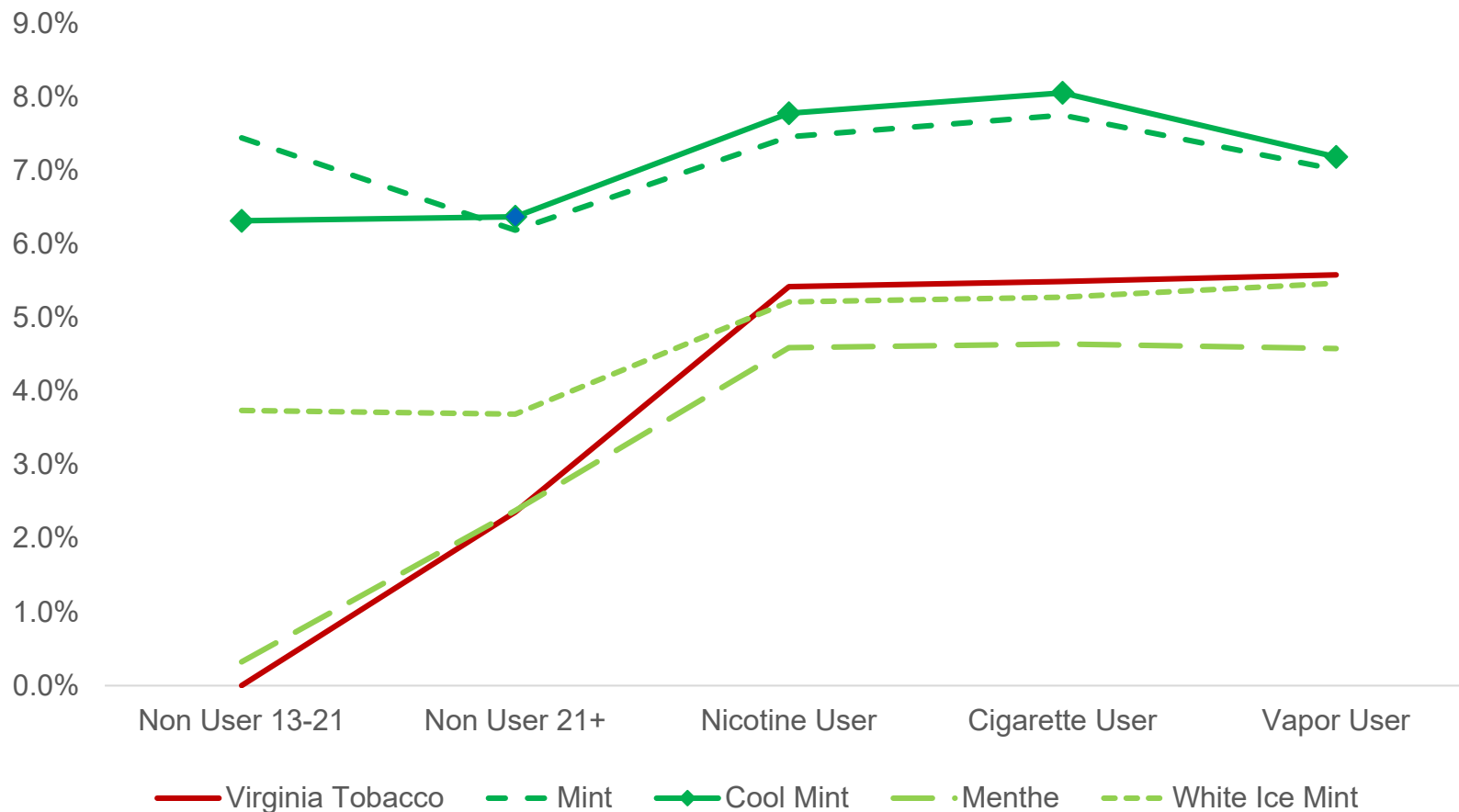
	Total	Non User 13-21	Non User 21+	Nicotine User	Cigarette User	Vapor User
Virginia Tobacco	3.9%	0.0%	2.4%	5.4%	5.5%	5.6%
Cotton Candy	5.8%	9.6%	5.3%	5.0%	4.9%	4.6%
Gummy Bear	4.9%	8.0%	4.4%	4.3%	4.1%	4.5%
Cool Mint	7.2%	6.3%	6.4%	7.8%	8.1%	7.2%
Mint	7.2%	7.5%	6.2%	7.5%	7.8%	7.0%
White Ice Mint	4.6%	3.7%	3.7%	5.2%	5.3%	5.5%
Menthe	3.4%	0.3%	2.4%	4.6%	4.6%	4.6%
Vivid Vanilla	6.4%	8.3%	5.8%	6.1%	6.2%	6.1%
Strawberry Brulee	6.1%	6.0%	6.8%	5.8%	5.6%	5.4%
Creme Brulee	3.9%	2.6%	4.5%	3.9%	3.8%	3.8%
Creme	3.0%	3.8%	2.8%	2.9%	2.9%	3.2%
Fruit	6.8%	9.0%	7.0%	6.2%	6.1%	6.1%
Fruit Medley	5.0%	4.6%	5.5%	4.9%	4.7%	4.7%
Fruit Chill	3.8%	4.2%	3.7%	3.8%	3.6%	4.0%
Medley	1.2%	0.4%	1.3%	1.4%	1.4%	1.6%
Mango	6.2%	8.3%	7.4%	5.2%	5.1%	5.5%
Orchard	1.6%	1.2%	1.6%	1.7%	1.7%	1.8%
Cool Cucumber	2.4%	1.4%	2.9%	2.4%	2.4%	2.6%
Cucumber	2.1%	1.6%	2.7%	1.9%	2.1%	2.0%
Guava	1.8%	1.9%	2.6%	1.4%	1.4%	1.7%
Lychee	1.1%	1.2%	1.5%	0.9%	0.9%	1.2%
Guava Lychee	1.0%	0.8%	1.4%	0.9%	0.8%	1.5%
Cinnamon	5.5%	5.0%	6.1%	5.3%	5.5%	4.5%
Cinnamon Surge	3.2%	2.1%	3.6%	3.4%	3.5%	3.0%
Chai	2.1%	2.0%	2.1%	2.1%	2.2%	2.5%

# Preliminary read of flavor preference (percent)

## Flavor Preference by Usage

% selected as top 5 flavors you find **most** appealing

◆ JUUL Flavor

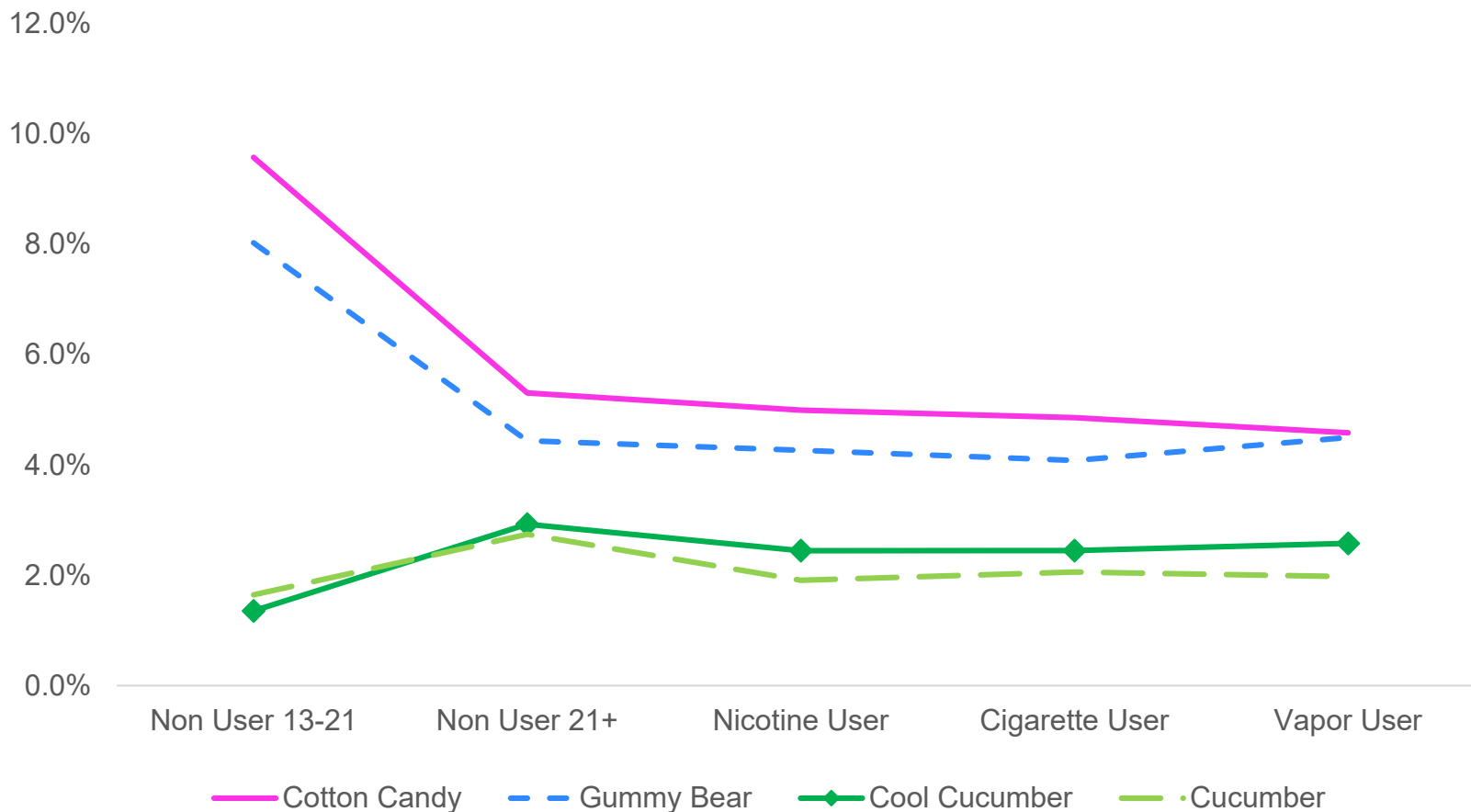


# Preliminary read of flavor preference (percent)

## Flavor Preference by Usage

% selected as top 5 flavors you find **most** appealing

◆ JUUL Flavor

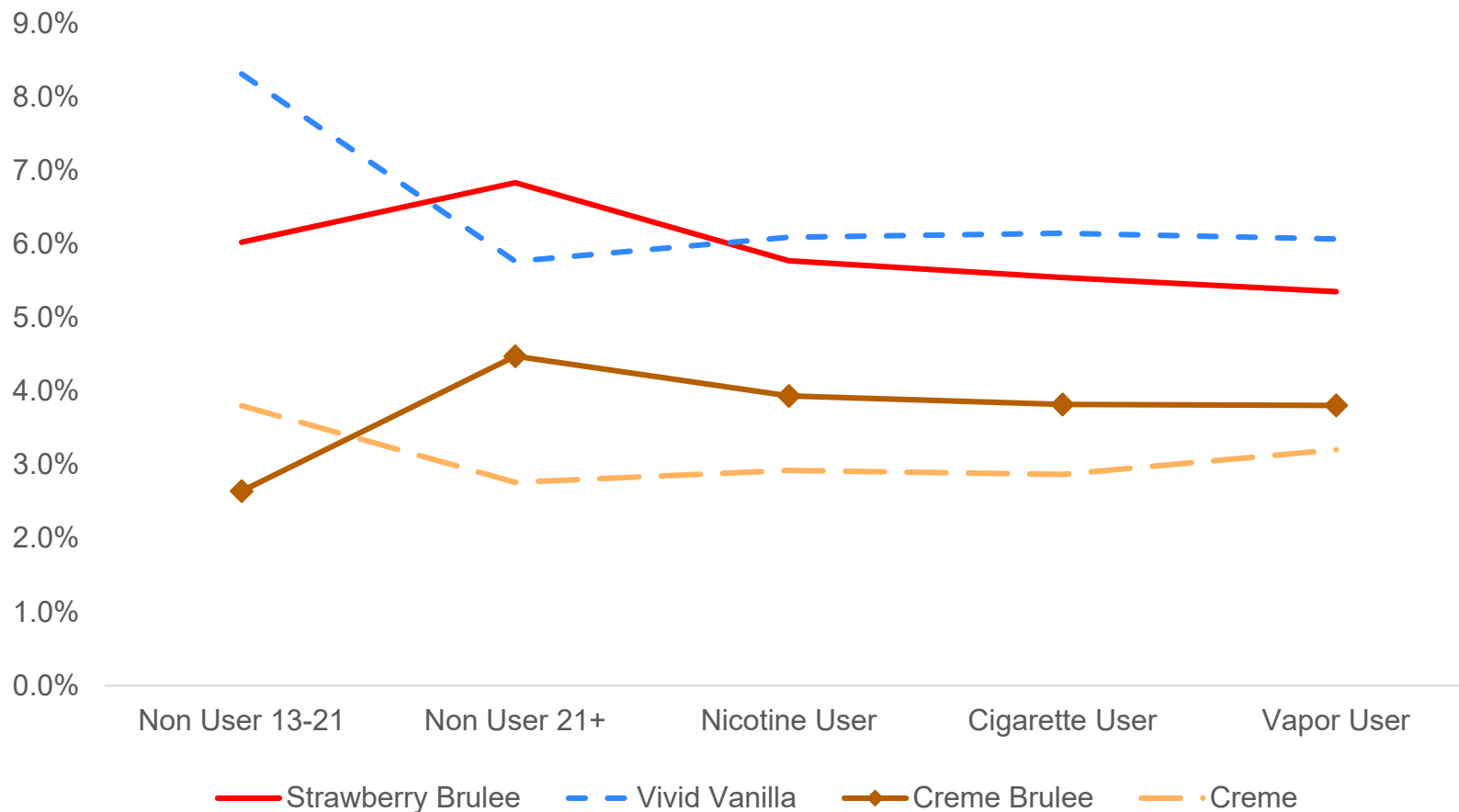


# Preliminary read of flavor preference (percent)

## Flavor Preference by Usage

% selected as top 5 flavors you find **most** appealing

◆ JUUL Flavor

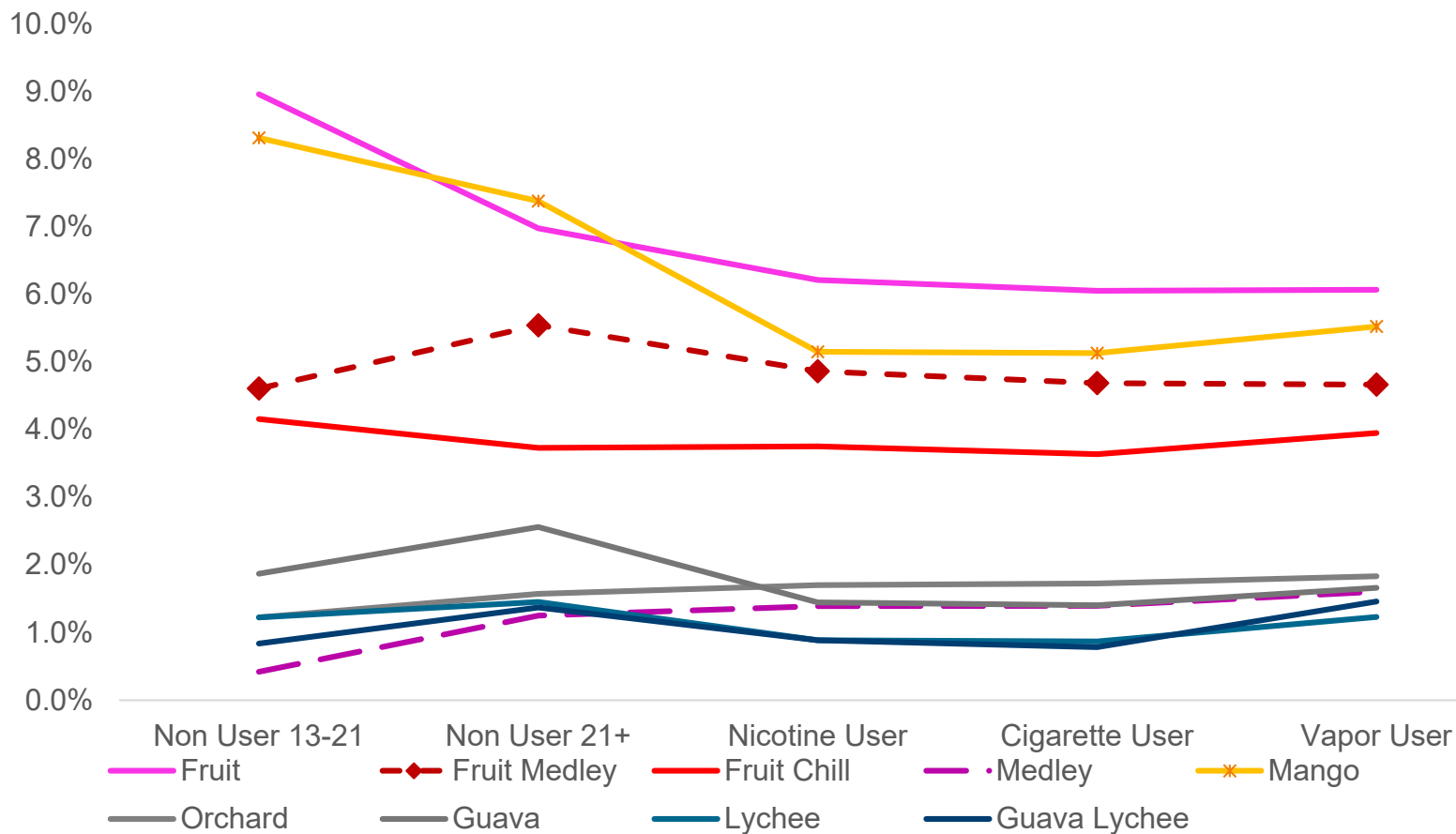


# Preliminary read of flavor preference (percent)

## Flavor Preference by Usage

% selected as top 5 flavors you find **most** appealing

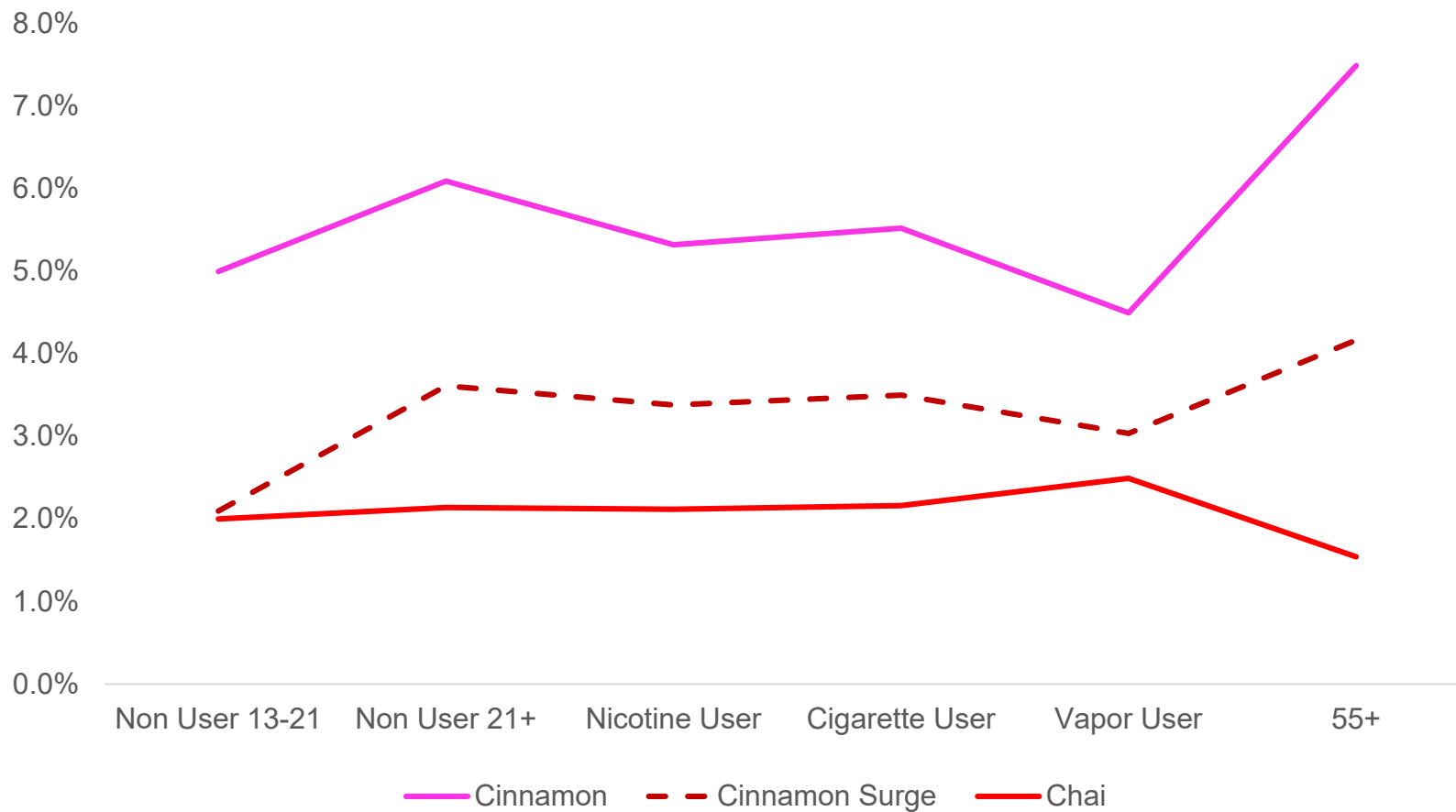
◆ JUUL Flavor



# Preliminary read of flavor preference (percent)

## Flavor Preference by Usage

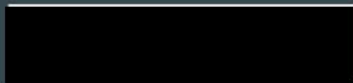
% selected as top 5 flavors you find **most** appealing



# Exhibit 11

# JUUL Youth Advisory Council Findings

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# Objective of Focus Group

The objective of this group was to get a perspective from young adults on how to combat the use of JUUL amongst underage kids.

# Experience with JUUL

“Almost all friends own a Juul in younger grades. Younger kids especially. More common for people a year to two years below. Flavors taste good, high nicotine content. Candy flavors popular among kids.”

“Saw it in high school with younger students during senior year, that was the first time I saw it, mostly sophomores so two years below. Popular among younger kids. JUUL took the place of previous vapes like the mod, replaced all other vapes with just Juul.”

“Introduced to Juul by a younger crowd on social media, this is coming from a 20-something.”

“Introduced at a fraternity party, significant amount of people using JUUL indoors. Mostly freshman in college, kids from high school using the JUUL picked up in the summer of ‘17. Popular in college environments, can use in a dorm or in between classes.”

# How do adolescents get the product?

“Very popular in New York City high schools. A lot of kids are buying JUULs wholesale and dealing them at their high schools.”

“Have mentored kids in low income schools in Berkeley and Oakland. Not prevalent at all in low income areas. More prevalent in high income areas. These are middle school kids.”

“Younger brother asks me to buy him JUUL pods constantly. Kids pay older students to buy it for them.”

“Pay other kids to use their vapes or to buy them pods. Pay a premium for a pack of pods.”

# What attracts them to JUUL?

“Convenient/Trendy/Cool/Feels good.”

“Flavors, such as fruit medley and mint, as well as the sleekness of the product, are attractive to kids. Teenagers smoking cigarettes use to have to febreze themselves before they saw the parents now they can JUUL wherever.”

“Peer pressure and being a part of a circle that uses JUUL are ways kids can begin using the product.”

“Main attraction is branding. JUUL is the Google of vapes, has strong name recognition. All about branding. I have a Suorin and I call it a JUUL because no one knows what it is. Not going to call it a vape. Everyone has flavors that’s not what specifically attracts kids.”

“Social acceptability and becoming a part of the “in crowd” important factors in adolescents decision to use JUUL. Kids want to be liked and having a JUUL or using one is an easy way to validate yourself and seem cool. Young people are very concerned with their image and the group they associate with, JUUL is attractive to them for these reasons. Fun, tastes good.”

“Fitting in and peer acceptance. More other people do it the more you will do it. Everyone wants to fit in at that age so of course they will participate. Easier to go along with it then be the one person not doing it.

Pods are better for environment than throwing away a cigarette and looks like less nicotine than a cigarette.”



# How can we get them to avoid JUUL?

“Social media influence describing negative effects of nicotine will help keep kids off product, tell them it's bad for their skin, improve age verification on website.”

“Making the JUUL seem less cool on social media. Make it look harmful and not cool.”

“JUUL is very trendy, best way to deter children is to market to a more adult audience, more adult flavors. Need to show that the JUUL is intended for adults and an adult atmosphere.”

“Market the product in a more adult atmosphere, change the perception to something more adult. The more you tell kids they can't have it the more they want it.”

“Associating JUUL with potential health risks and addictive qualities. Kids are super impressionable, when celebrities tell them to use it they listen.”

“Associate JUUL with health risks and addictive quality.”

“Associate JUUL with cigarettes. Revealing the health outcomes of potentially using JUUL and really drive home what the purpose of the JUUL is. Kids think it’s just water and flavor and it's not dangerous. Revealing that JUUL is not simply water vapor with flavoring.”

# How can we get them to avoid JUUL?

“A possible software or hardware solution. Create an app that connects with a JUUL and uses age verification to link the JUUL with a phone app. Adds another layer to using the JUUL. Must provide a driver's license to the app which would connect it to, and activate, a JUUL that would be linked to the profile on the app. Authorize specific JUULs to specific people. Would reduce the amount of underage people using it.”

“Adults don’t know about it, cool because parents don’t know about it. Educating parents, adults and teachers about JUUL. Telling them what it looks like and punishing kids for JUULing in class.”

“JUUL is used too much in media. Huge national impact. Ad for JUUL in Jumanji, a family movie. Shouldn't have JUULs and people obsessing over JUULs in movies. Character in Jumanji was devastated after losing JUUL.”

# How to market the product to a 21+ audience?

“Celebrities on talk shows talking about the actual intended use of JUUL. Advertise on programs and shows that people from an older generation watch. Advertise as a product for people who are genuinely trying to quit nicotine.”

“JUUL has to market itself as a tool to stop smoking, then it will attract itself to an older audience. Most people don’t know the intended uses of JUUL and that it is intended for switching from smoking.”

“No one buys nicorette gum because it tastes good or is cool, they buy it because they want to quit nicotine. Do similar advertising to nicorette gum.”

“21+ concerts and events. Bands from the 70s and 60s. Target blue collar people because they are more likely to smoke cigarettes already and would use the JUUL to quit. NASCAR.”

# How to market the product to a 21+ audience?

“Talk shows that appeal to an older audience. Have older celebrities that older people respect talk about their experience quitting cigarettes and switching to the JUUL. Celebrities that young people wouldn't necessarily know/look up to. Someone who old people know.”

“Advertisements for cessation devices don’t try to make their product cool because no one wants to be addicted to nicotine. Putting out advertisements that make it seem cool is not the correct approach. No one wants to be addicted to nicotine. Not to shame people, if you have to use nicotine this is the best way.”



“Pair with bars and 21+ venues. Clean health and air initiative.  
Pair it with drinking.”

“Smoking is illegal in bars but JUULing is not. Smoke free bars  
that are open to people using JUUL.”

# Have you seen counterfeit JUULs/pods?

“In NYC many people on the street sell fake pods or offer to fill up pods. Happens in Hong Kong, counterfeit JUULs and pods are huge in China. Don’t advertise them as JUULs but they look just like them and are sketchier.”

“Haven’t seen fake JUUL pods sold, however, lots of people refill their JUUL pods. JUUL gets the most heat by the media due to being the biggest most recognized nicotine vape company, other brands on the market have more flavors and market more shamelessly towards underage smokers.”

# Exhibit 12



# JUUL LABS

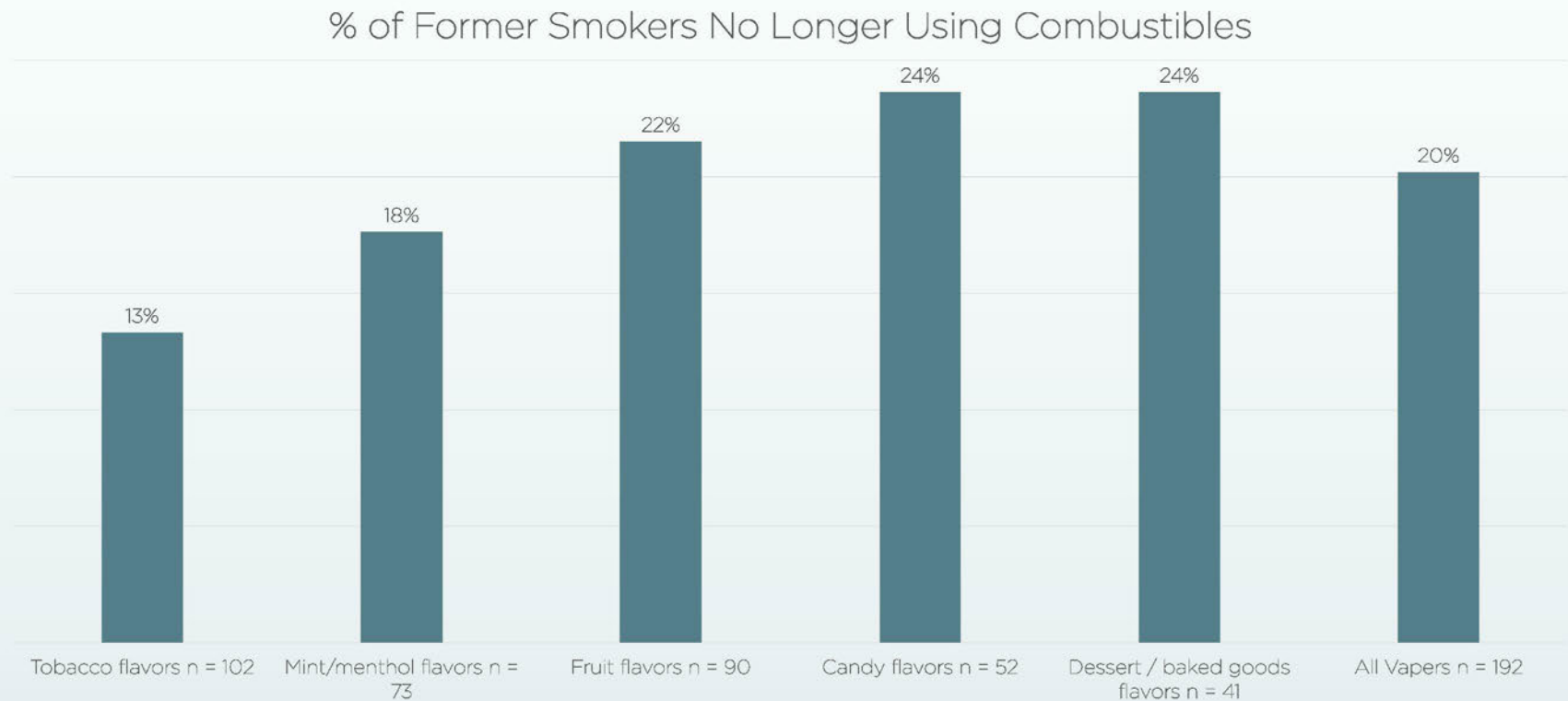
FLAVOR JOURNEY AND DISPLACEMENT

April, 2018

JUUL Labs CONFIDENTIAL

1

# Vapers of Non-Traditional Flavors have Higher Switch Rate than Vapers of Traditional Flavors



1) User categories non-exclusive

2) s4: How would you characterize your use of these tobacco and nicotine products? [Tobacco cigarettes: Have used in the past but not anymore]

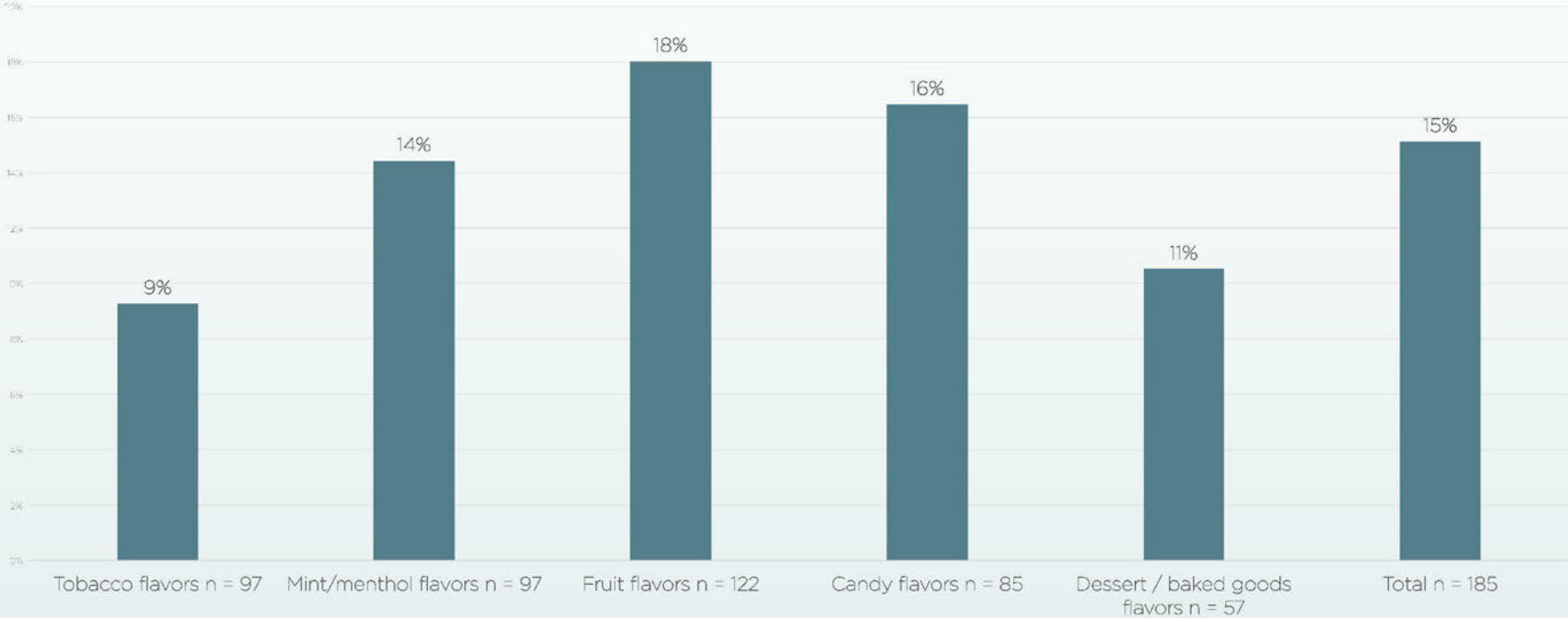
3) q9\_1: E-cigarettes, mods, or vape pens come in a variety of different flavors. From the list below, select all the flavors you use regularly.

4) Q3 2017 Survey

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# JUUL Users of Non-Traditional Flavors have Higher Switch Rate than JUUL Users of Tobacco Flavor

% of Former Smokers No Longer Using Combustibles

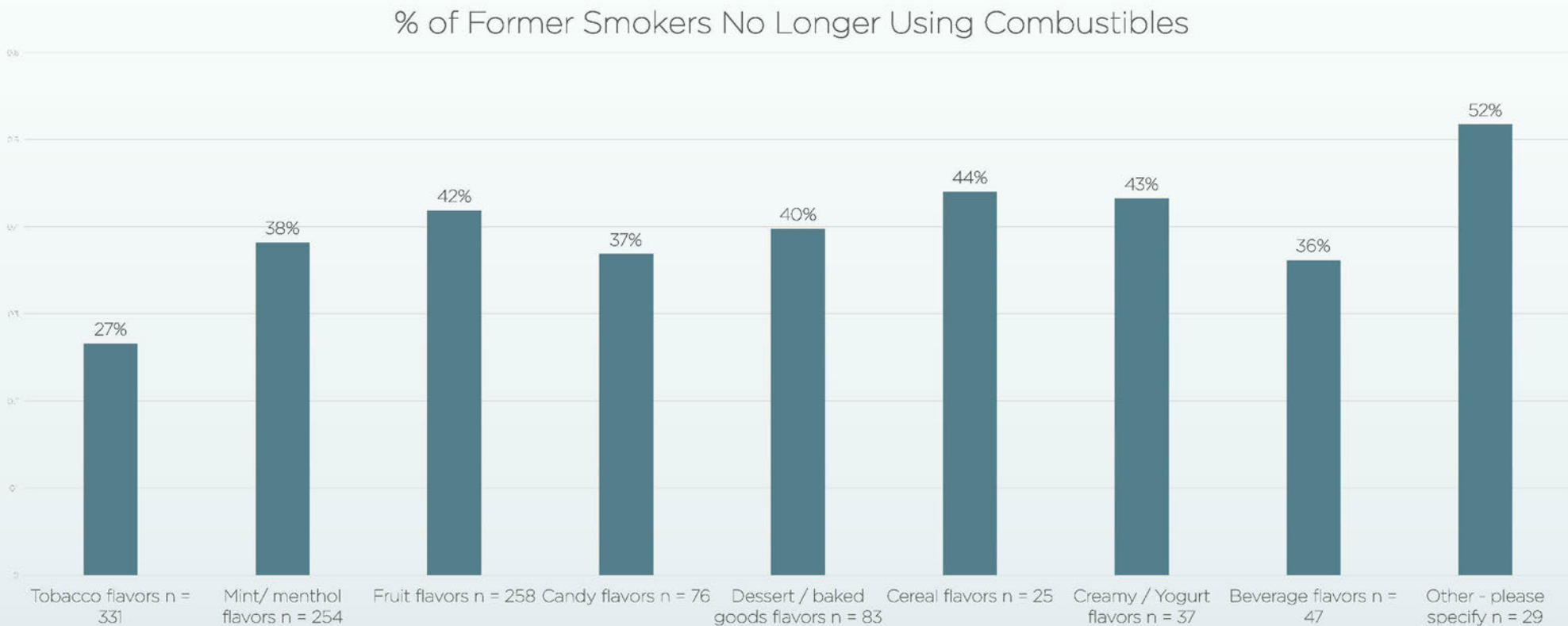


1) User categories non-exclusive  
2) s4: How would you characterize your use of these tobacco and nicotine products? [Tobacco cigarettes: Have used in the past but not anymore]  
3) q9\_1: E-cigarettes, mods, or vape pens come in a variety of different flavors. From the list below, select all the flavors you use regularly.  
4) Q3 2017 Survey



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# Vapers who Prefer Non-Traditional Flavors have Higher Switch Rate than Vapers who Prefer Tobacco Flavor



1) Q1\_3: How would you characterize your use of these tobacco and nicotine products? [Tobacco cigarettes: Have used in the past but not anymore]  
2) Q7\_8: Which is your preferred flavor when it comes to [e-cigarettes or mods]?  
3) October 2016 Survey

JUUL  
LABS

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# Exhibit 13

## Key Corporate Messages September 2017

- Our goal is to eliminate cigarettes. We accomplish this by building products for existing smokers to switch. We develop our products through a combination of advanced technology, scientific expertise, intuitive design and continuous innovation.
- JUUL was founded by two Stanford design graduate students who, as smokers attempting to quit, applied technological innovation and exceptional industrial design to develop a product that could help them quit smoking cigarettes. This initial idea evolved into a mission to provide the world's one billion smokers with a better alternative to combustible tobacco products.
- JUUL Labs intends to switch 10 million smokers by the end of 2020. This is a public health endeavor and thus we have given it very high priority.
- JUUL differentiated itself from new and traditional competitors by establishing itself as a technology- and design-driven company rather than leading with a sales and marketing focus. JUUL Labs is a company at the intersection of the technology, CPG and healthcare sectors.

## International Market

- JUUL has the potential to effectively compete in a \$700+ billion global market opportunity representing more than 1 billion smokers worldwide (*source: WHO*)

## Domestic Market

- There are currently approximately 37 million adult smokers in the U.S., representing an approximately \$60B-\$80B opportunity.
- JUUL users represent only 1% of total U.S. market. JUUL is the #2 vapor product in the U.S. (*Sources: CDC 2015 report, JUUL internal*)
  - a. Vuse (32%), JUUL (27%), MarkTen (17%), Blu (11%), Logic (10%) Other (4%) (*Source: Sept. 2017 Nielsen*)
- JUUL is also the #1 independent vapor brand in the highly competitive convenience channel, despite being in only 9% of convenience stores (*sources: IRI, Nielsen, JUUL*)
- Dollar share has grown from 2.2% March 31, 2016 → 27% August 2017 (*Nielsen*), ahead of Altria, JT and Imperial, and trailing RJ Reynolds by only a few percentage points. (Significantly ahead of RJR in all convenience stores where JUUL is available.)
- JUUL net revenue up by 250% YOY in 2016 and on track to grow another 500% in 2017. H1 2017 net revenue grew 580% YOY. (*Source: JUUL*)
- Projecting \$900M-\$1.1B net JUUL sales in 2018, translating to U.S. retail sales of \$1.3B
- JUUL projected to be 2% of cigarette market in 2018 (*assumes cigarette revenues of \$60B and JUUL retail \$1.6B*)
- JUUL has YTD MoM sales growth of 20%

## **JUUL'S success is driven by foundational intellectual property**

- JUUL Labs' founders developed the first-generation e-cigarette more than a decade ago and as a result the company has a proprietary position in design, chemistry and engineering.
- The JUUL-developed closed-loop heating system, algorithmic puff consistency and temperature-regulated vapor technology provide optimal performance.
- Together with temperature regulation, JUUL's company-developed JUULsalts™, our proprietary formula derived from nicotine salts rather than free-base nicotine, enables JUUL to provide nicotine satisfaction that smokers expect.
- We make all our devices easy to use to mirror the simplicity that smokers of combustible products are accustomed to, in order to make switching as convenient as possible.
- This is now a regulated category that will require significant investments in time and funding for new competitors

## **JUUL's sales and distribution strategy leverages both ecommerce and retail platforms.**

- Our auto-ship option makes it convenient for vetted customers to easily and reliably access JUUL.
- JUUL's drive to constantly improve is woven through all areas of our business, ensuring that the company will continue to evolve and lead the industry in innovation.
- Reseller agreement
- Convenience channel, specialty retail (in-store assistance)
- JUUL has gained significant penetration in all channels despite some supply constraints and is #1 independent vapor brand in the convenience channel despite being in only 9% of convenience stores. (sources: IRI, Nielsen, JUUL)

## **JUUL's Competitive Advantages**

- Since its launch in 2015, JUUL has sold more than one million devices in the U.S.
- Improvements in and expansion of our output and distribution channels will allow JUUL to scale up production, increase capacity and reduce costs to efficiently and effectively meet untapped demand in the US and eventually, internationally.
- Through our e-commerce platform JUUL is essentially a subscription product, which is unique in this sector.
- We manufacture all of our JUUL pods in North Carolina. Manufacturing equipment is designed by our company.
- Outstanding investors: Tiger Global, Fidelity Investment



- On pace to sell 20 mm JUULpods per month by the end of 2017, up from less than one million per month in January 2017. We expect to double that 20 mm number within six months (JUUL internal)
- Outstanding team representing some of the biggest brands in technology, health sciences and CPG: Nest, Apple, Google, 23andMe, Genentech.

### **Organic Marketing Strategy**

- JUUL Labs' growth has been almost 100% organic, with less than 1% of revenues spent on marketing.
- User growth has come through consumer advocates and word-of mouth: The vast majority of adult smokers who switch to JUUL refer at least five other smokers. (JUUL internal).
- Marketing is mission-driven: Awareness-focused marketing to traditional adult cigarette smokers to inform them about JUUL..
- Adult cigarette smokers who want to quit are the strongest advocates: they inform and influence other adult smokers.
- JUUL has an NPS of 70, (JUUL internal)

### **JUUL supports reasonable regulation of the e-cigarette industry to ensure products are developed and sold responsibly.**

- As a company whose goal is to eliminate cigarettes entirely and provide smokers with a better alternative, we are encouraged by FDA Commissioner Gottlieb's July 2017 statements and support the agency's effort to focus tobacco and nicotine regulation on public health outcomes.
- We are intently focused on driving innovation that helps reduce the significant public harm and continued high number of preventable deaths caused by combustible cigarettes. As Commissioner Gottlieb noted, it is the other chemical compounds in tobacco, and in the smoke created by setting tobacco on fire, that directly and primarily cause illness and death, not nicotine. We were heartened to hear FDA encourage new product innovation and recognize a risk continuum in the journey to provide alternative nicotine delivery systems to adult smokers. We look forward to continuing to work productively with FDA on tobacco harm reduction.
- Given that technical innovation is fundamental to who we are, we are working on a number of new technical features that we hope to roll out in the future in accordance with the regulatory framework and timeline established by the FDA.

### **JUUL Labs is fundamentally different from its tobacco competitors**

- JUUL Labs is a product innovator. This is the biggest difference between us and the traditional tobacco industry, which has shown limited innovation during the past century.

- Iqos and other HNB devices are predicated on being similar in form/function to cigarettes. JUUL was designed with the intention of having a very different look/feel compared to combustible cigarettes.
- We want to eliminate cigarettes. Tobacco companies sell 5.5 trillion cigarettes annually, or 15 billion cigarettes per day (*Euromonitor 2016*)
- We have a direct relationship with our customers through our e-commerce channel
- We are working toward cessation opportunities.

### **Flavors are an important factor in getting adult smokers to switch**

- What we see is that flavors are an important factor in getting adult smokers to switch completely -- no dual usage.
- We are focused on expanding flavors carefully/responsibly so that we can meet the preferences and needs of adult smokers interested in quitting cigarettes.
- Our data show that flavors do play an important role in helping adult smokers permanently switch from cigarettes to JUUL without dual useage. At this point we don't fully understand the reasons why. However we are committed to conducting further scientific research.
- We agree that it is very important not to have youth-oriented flavors or marketing/branding that appeal to children.

### **Product and technology**

- As former smokers, James and Adam understood the important ritualistic component of smoking as well as the social realities and incorporated those aspects into not only the products but also the company ethos:
- They designed JUUL to be as easy to use as a cigarette but not to look like one. The rectangular shape of JUUL is a prime example of their intention from the beginning to develop something radically different than cigarettes.
- JUUL's is designed to be intuitive to the various reasons smokers may want to transition from cigarettes: For themselves, for friends and family or because cigarette smoking negatively impacts lifestyle or work.
- JUUL goal is to allow smokers to control their nicotine usage. This capability is in product development
- Multiple new flavors and nicotine strengths are expected to become available as we increase supply.
- Specific improvements our product team is developing include:
  - Enable a JUUL user to monitor usage and share it with whomever they want - friend, family, physician, affinity group, etc.
  - Device authentication. The customer could only authenticate if he/she was above the age of 21. This technology would help prevent youth from using the device.
- New functionality will only be introduced with FDA approval



## **Current clinical research**

- Our goal is to eliminate cigarette usage. We are and will continue to conduct scientifically rigorous, peer-reviewed research to scientifically characterize JUUL and to demonstrate how smokers switch from combustible cigarettes to JUUL.
- We continually strive to better understand the motivations and needs of current adult smokers as they endeavor to quit cigarettes.

## **Intellectual Property**

- Our innovative JUUL technology and design elements have set the standard for the industry. Just as with other trend-setting products, we of course have others attempting to copy various features of the JUUL device and JUUL pods. We have a robust and growing worldwide intellectual property portfolio that includes patents, trademarks and design registrations and we vigorously enforce our rights.

## **Key Underage Use Messages**

### **JUUL was created as an alternative to cigarettes for adult smokers of legal age only.**

- JUUL's mission is to improve the lives of the world's one billion existing adult smokers by providing a viable alternative to cigarettes.
  - We agree that smoking is bad for your health, and believe that those who don't currently use nicotine products should not start.
  - While there is absolutely no substitute for complete cessation for smokers today, we are proud to offer a viable vapor alternative to adult smokers.
- JUUL is not designed for, or targeted to, underage consumers – we are solely focused on transitioning the world's existing adult smokers to a superior alternative.

### **JUUL and all other nicotine products should never be used by anyone under the legal age.**

- JUUL was created for adult smokers of legal age only, and JUUL strongly condemns the use of our product by minors.
- Recent science raises serious concerns about the adverse effects of nicotine on adolescent neurodevelopment (Slotkin et al., 2015; Smith, McDonald, Bergstrom, Ehlinger, & Brielmaier, 2015).
- We take the prevention of underage use very seriously, and are committed to continually finding and evaluating new ways to strengthen our efforts to prevent the use of our products by minors.
  - We welcome opportunities to collaborate and engage with the community on these issues.

### **JUUL supports effective legislation and regulation to prevent the purchase and use of our products by minors.**



- We fully support the strict enforcement of minimum age laws to prohibit the illegal purchase and use of our product.
- We comply with all relevant federal, state and local legislation and regulation to prevent underage purchase and use of our product.
  - JUUL actively pursues relationships with industry leaders and regulatory bodies to contribute to the conversation around vapor technology in the public health sphere.

**JUUL currently is highly limited in its marketing efforts. We market our products responsibly and follows strict guidelines so that material is exclusively directed towards adult smokers and never to youth audiences.**

- Our marketing does not feature images or situations intended for a youth audience.
  - Our campaigns depict models that are age 35+.
  - JUUL does not use cartoons, caricatures or other designs aimed at attracting minors.
- We go the extra mile to ensure responsible placement of our product to ensure limited exposure to an underage demographic.
- [We ensure that any marketing events are centered around a mature demographic and are restricted to those to those 21+ in age.]

**JUUL's ecommerce platform incorporates industry-leading controls to ensure minors are not able to access and purchase our products online.**

- We are required and committed to preventing online sales to anyone under the legal purchasing age and highlight this position on our website and during our online account set-up and check out process.
- In fact, we go above and beyond and limit the sale of JUUL on our website to ages 21+.
  - There is a growing movement to raise the minimum age for cigarette and e-cigarette purchase to 21.
  - The intent of these 21+ laws is to prevent underage use of tobacco and nicotine, particularly among high school students.
- We utilize industry-leading ID match and age verification technology to obtain proof of each customer's identity and address and ensure that each individual qualifies to access and purchase products from our website.
  - Our system requires customers to submit their ID to a public record search, where information is verified against a database containing records from multiple trusted and secure data sources and by our internal team of specialists.
- We limit the number of pods that can be sold in one transaction to discourage any unofficial resale of our products outside of authorized channels.

**We are committed to working with our retail and distribution partners to put into place strict agreements and policies to prevent underage sales of our product.**

- Our retailer agreements specify compliance with state laws which guarantees age verification prior to purchase (i.e., behind counter, carding anyone who looks under 26).

- We demand reseller terms that include monitoring and penalties for noncompliance with underage restrictions.
- We will continue to work on ways we can strengthen our efforts with retailers to prevent underage sales, including:
  - Finding ways to ensure that they understand their role in preventing sales of our product to minors.
  - Implementing methods for monitoring FDA and State Enforcement Actions to ensure retailers carrying our products are compliant with the minimum-age laws.

**We strive to label and develop our products responsibly.**

- JUUL's proprietary nicotine formula uses high-quality ingredients and was developed based on years of research.
  - Our formula is mixed by industry-leading US partners.
  - Our ingredients include: glycerol, propylene glycol, natural oils, extracts and flavor, nicotine and benzoic acid.
  - As a policy, our development and manufacturing process does not add diacetyl and acetylpropionyl (or 2,3-pentanedione) as flavor ingredients.
- We developed the strength and delivery of the nicotine in our pods to closely mimic the traditional smoking experience, and provide satisfaction to adult smokers to support their switch to vapor.
  - One pod is roughly equivalent to one pack of cigarettes.
  - Nicotine content: 0.7mL with 5% nicotine by weight (59 mg/mL per pod)
- We offer a limited number of sophisticated flavor SKUs to appeal to a mature palate.
  - We've chosen our flavors to meet the preferences and needs of adult smokers interested in switching to JUUL from combustible cigarettes.
  - We purposefully name products to have adult but not youth appeal, including avoiding juvenile terms and non-descriptive flavors.



# Exhibit 14

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**From:** [REDACTED]  
**To:** [REDACTED]  
**CC:** [REDACTED]  
**Sent:** 6/20/2016 2:55:42 PM  
**Subject:** Re: DPAA Panel

Here you go - let us know what else you need / how else we can help! =)

Key stats from the JUUL launch that included the Times Square buy out:

Campaign overview:

- Creative integrated marketing campaign - advertising campaign fell at the intersection of traditional, digital, experiential and influencer marketing in a way that is rarely done
- With a launch event, exclusive photo shoot, Times Square billboard, and digital media buys, this was integrated creative that highlighted no single face of the campaign - this was purposeful as it is a lifestyle company and a lifestyle campaign
- The Times Square campaign: At the launch event PAX Labs had an open photo shoot for whomever wanted to take a photo with JUUL and show off their modeling skills (influencers were invited through casting agencies). The PAX Labs marketing and creative teams then selected final photos based on aesthetic and social influencer to appear on a billboard in Times Square beginning on June 15th. Additionally the print ad came out in VICE on June 10th and subsequent digital media buys rolled out over the next few days/weeks.
- The campaign team - Creative Director, Steven Baillie (on the agency side for Gap and Old Navy, creative director at Bonobos, GQ international editor); casting agency, CoacD, specializing in street style like shoots; advertising agency, Grit; graphic firm, Georgia; and photographer Marley Kate
- The goal of the campaign was to show that the product works, that the product is cool, and to remove the stigma of e-smoking because it is the better alternative to traditional cigarettes and other lame e-cigs - you can go out and be proud of JUUL
- Further, traditional ads in this space are product led, with undifferentiated copy, and are not compelling from a lifestyle standpoint - this was a lifestyle campaign
- PAX Labs could have rolled out a sterile campaign that didn't contextualize the product, but the goal is to make combustible cigarettes obsolete - by no means is the goal to draw new people into nicotine consumption
- Times Square billboard, JUUL receive 4,493 minutes of air time over a 28 day span during 6/15-7/13. Both units receive roughly 1.5MM impressions/day, or 42MM impressions over the entire flight.

Trade Elements:

- POS Distribution
- In-Store Sampling - 3K+ Locations
- OOH - Billboards, Radio, etc.
- Retail Advocacy - 2K store clerks were sampled and trained during July/Aug outreach - forming the basis for our email training program

Recap:

6/1 - e-commerce site launched, week 1 revenue totaled \$65K with >1K starter kits sold

- emails captured during pre-launch press push drove 35% of revenue, exceeded expectations
- 55 auto-ship subscribers, exceeded expectations
- total 3.4K email subscribers below expected, but with high conversion rate of 10%
- sales averaged >200 starter kits/day, 2X higher than anticipated

6/4 - launch party @ Jack Studios, attracted key influencers & amplified press buzz throughout the week

- DJ sets by Phantogram, Illuminati AMS, May Kwok and Chapman attracted 400 attendees, as expected
- 186 press attendees from publications including BuzzFeed, Gizmodo, Huffington Post, AskMen, Selectism and The Daily Beast, met expectations
- >100 influencers were professionally photographed and opted into the JUUL billboard campaign, met expectations
- 200 attendees amplified word-of-mouth via social media tagging/posting, touching 26K people

6/5 & 6/6 - sampling tour kick-off @ The Marquee Nightclub, gifted 1.3K starter kits to exceed 1K goal

- photo booth, event flow and sampling software challenges during night 1 were largely addressed by night 2 and elicited better gifting results, improvements continue
- 90% attendees were smokers & 5% were e-cig/vapor users, met demographic expectations
- product experience feedback communicated to sampling staff was 100% positive

Press contributed to spikes in organic website traffic, driving word of mouth and sales by linking events to the e-commerce site, forming a powerful and efficient 360 degree launch push

- "JUUL is the e-cig that will finally stop me from smoking (I hope)" - Engadget
- "Last night's invite-only party with Phantogram was (literally) smoking" - Gawker
- "The iPhone of e-cigs" - Men's Fitness

On Sun, Jun 19, 2016 at 4:23 AM, [REDACTED] wrote:  
FYI - the panel outline below

Could you please help provide to me some of the key stats from the JUUL launch that included the Times Square buy out?

Thx!

Begin forwarded message:

**From:** [REDACTED]  
**Date:** June 19, 2016 at 1:16:00 PM GMT+2  
**To:** [REDACTED]  
**Subject:** DPAA Panel

[REDACTED]

Thank you again for your willingness to participate in the DPAA panel.

I've summarized the discussion topics below – we'd love to have the conversation centered around the theme:

· **“The Evolution of “Play Space” Media: How will major brands harness data and technology to power DOOH campaigns?”**

Please let me know if there is anything else you'd add – I will be sure to pass it along to the moderator.

Looking forward to it!

Best,



#####

**DPA PANEL – The Evolution of DOOH:**

Our panel will focus on the evolution out-of-home advertising as it relates to data, technology, mobile and creative. The session will provide a first-hand perspective of DOOH from the world's leading and emerging brands, agency leaders, and industry experts across verticals. Mark Young, Chief Marketing Officer of Sysomos, and Former Executive Vice President of Marketing at Solutions at Clear Channel Outdoor, will serve as the industry expert on the current trends in the DOOH space, discussing topics including:

- **The Evolution of “Play Space” Media: How will major brands harness data and technology to power DOOH campaigns?**

**0 The importance of digitization:**

§ **Why must OOH companies shift from the “legacy” out of home model?**

- **Brands must be nimble with campaigns; they can no longer have to wait a week to execute.**

**0 The Importance of data to create dynamic Living Social Profiles for OOH campaigns:**

§ **How do brands more accurately target audiences for campaigns using the changing social profiles of locations, stores, etc.?**

- Dynamic campaigns evolving due to concerts, games, events and even physical locations of stores

- i.e. the population of an area could be stable Mon – Fri, but shift for weekend concerts, etc.

**0 How does the digitization of OOH impact local advertising?**

§ Radio/Newspaper is less relevant.

§ Small business owners can take advantage of shorter campaigns (cost efficiencies)

**0 The Power of Cutting Edge Creative:**

§ How do creative campaigns drive higher social media engagement/impressions with creative campaigns through social?

§ How do OOH companies and brands take advantage of this?

[REDACTED]  
ASSOCIATE



MediaLink

1155 Avenue of the Americas

8th Floor

New York, NY 10036

P: [REDACTED]

M: [REDACTED]



--

[REDACTED] corporate communications  
PAN Labs, Inc. 660 Alabama Street, Second Floor, San Francisco, CA 94110 m 415.359.7204 f 866.826.5618

I

.....  
This message and any files transmitted with it may contain information which is confidential or privileged. If you are not the intended recipient, please advise the sender immediately by reply e-mail and delete this message and any attachments without retaining a copy thereof.

# Exhibit 15

Request from [REDACTED] by Noon

1. A brief recap of the types of marketing/advertising we do today. This can be a short list with context to help (e.g. private events at age-appropriate venues such as Sundance, etc.)
2. I gave her a list of what we don't do, such as advertise/promote on social media, but if there are other don'ts that's great.

JUUL marketing today consists of:

- unpaid social media posting
- private + adult smoker targeted events at 21+ venues (ex: Sundance)
- sampling teams that approach adults smoking who appear age 30+, check IDs for legal age and then give them coupon for online redemption
- influencer programming to smokers age 30+
- digital programs focused on our 21+ website; referrals, emails, affiliates

We did (legal) radio, and billboards in the past - but it's been about two years.  
Paid digital advertising has been minimal.

### Marketing Code

We adhere to strict guidelines to ensure that our marketing is directed toward existing adult smokers.

JUUL is a nicotine product intended for adults of legal purchase age.

JUUL is not appropriate or intended for youth.

JUUL is not intended for former smokers or never smokers.

JUUL is a switching product. JUUL products have not been approved by the Food and Drug Administration to diagnose, treat, cure, or prevent any disease.

We do not feature images or situations intended for a youth audience.

Our campaigns depict appropriately aged models.

We do not use cartoons, caricatures, or other designs aimed at attracting minors.

We ensure responsible placement of our product designed to limit exposure to an underage demographic.

Product sampling complies with all federal and state regulations.

We support and comply with all federal and state regulations to prevent sales to minors. This includes stringent third party age verification for online sales.

### Digital [REDACTED]

Website has been 21+ since 2017



- Email Marketing to subscribers on general promotions and company update
- Referral Program give \$15 get \$15. Allows existing customers to invite other smokers to purchase online (have to go through AV process)
- Affiliate Programs market our product through partners like vaping360, vaping daily (focused on vaping or attractive to smoker population). New affiliates are vetted with Legal and we pay based on commissions
- Direct Mail program. Sent direct coupons to adult smoker 21+ list with coupon offer redeemable through eComm platform
- Retargeting display ads. Showed online ads to website visitors to retarget them to purchase, including age filter at age 21+
- Offers online
  - \$1 for Starter Kit
  - \$20 Off
  - % off first order
  - Sign up for Autoship and get your device free
  - 15% all autoship purchases

"Affiliate program compensates pre-approved publishers that meet our standards ( Website audience +21, US only, content quality ) with a percentage commission from valid sales sent through tracking links. Majority of publishers are vaping/e-cigarette content websites"

Here are some guidelines (same as influencers):

<https://docs.google.com/document/d/1BvjE4RwUhCFXy7u68wYvB43Ut72PwrDg8Xrv14liJ70/edit?usp=sharing>.

You can find sign up and more information here: <https://member.impactradius.com/campaign-promo-signup/JUUL-Vapor.brand> . We do have strict T&Cs on what is allowed. Can be found on the prior link under Special terms.

## Events Code

Must be 21+ venue or event (preferably over 30)

Must not appeal to youth

Must be targeted towards adult smokers

Must not glamorize JUULing

Must not be associated to health, wellness or sports

Must be outside or in a legal vaping area

Must show a displacement of cigarettes (previously sold there or high smoker attendance rates)

Must support one of our following core messaging:

- Eliminate Cigarettes
- Switch smokers - there are over 40 million in the US
- Lead innovation in category

## Social Media Code

Do not run any paid media and marketing - everything is organic  
Do not run any giveaways of products  
Must not engage with any accounts under age 18  
Must only engage with accounts under 21 if customer is inquiring about warranty services specifically  
Must include nicotine warning messaging with all posts  
Must post content only targeted to adult smokers and demonstrate product only in a mature context  
Must never target or appeal to youths (under age 30)  
Must not share content that promotes excess use or inappropriate use of our product  
Must not make references to health, wellness or sports  
Must support a balanced content mix across Corporate Brand Mission, Product, User Journey and User Retention categories  
Must not engage with any JUUL fan accounts or communities that appeal to underage users (JUULnation, JUULcentral, Dolt4JUUL, etc)  
Must only share user generated content that is approved by compliance and does not feature underage users  
Must not include specific call to actions to shop now or buy now

#### Twitter

- no age gate, but we have requested the age gate from Twitter
- we block / do not engage with anyone under age 18 who messages us
- if contacted with a CS issue by someone who looks to be in college (bc in some states age limit is 21) we only engage publicly if it is a support related issue (ie: they already own our device) and we drive them to DM immediately to handle the issue privately

#### Instagram & Youtube

- gated at age 18
- company description prominently reinforces 'The Simply Satisfying alternative for adult smokers. Must be legal vaping age to follow.'
- Every post includes nicotine warning: WARNING: This product contains nicotine. Nicotine is an addictive chemical.
- we do not offer customer support on either channel, but if a CM is college aged we will direct them to <http://support.juulvapor.com> if they reach out with a support related request (ie: they already own our device)

#### Facebook

- gated at age 21
- if contacted with a CS issue by someone who looks to be in college (bc in some states age limit is 21) about a support related issue we drive them to PM for further assistance and handle the issue privately

3. 2015 vs 2017 campaign imagery (didn't have campaign in 2016 and haven't released anything in 2018 yet)



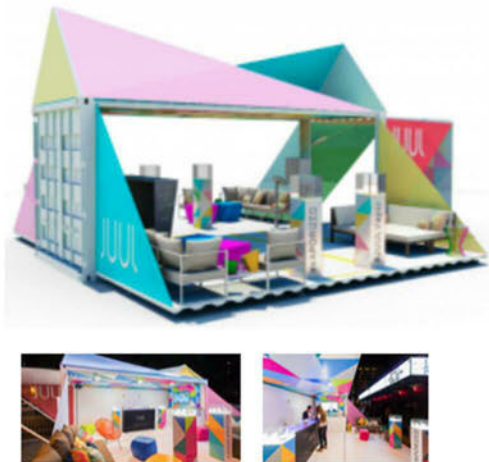
- Row 1: 25 campaign. Please note, average age of the smoker/models we used in 2015 was 29 (There was one 24 year old but ages really ranged from 27-37-year-old for that shoot.)
- Rows 2 and 3: from our 2017 campaign featuring models age 35+



## EVENT EXECUTION

Container went to 20 locations on launch in 2015. We have since done 2 events in 2018 but nothing in 2016 or 2017...

2015



2018



### Other Points:

Legally, many states have billboard restrictions that require you not to be within some variable distances (500+ft) of a school - which we have complied with in the past and we have a internal limit of 1000 ft from any school or playground.

Legally, many states have age restrictions on marketing - i.e. 75% of targeted media must reach audiences age 18+. For us, the national standard - regardless of more lenient laws - is that 85% must reach audience age 21+.

Marketing approvals process: every asset that goes into market is reviewed by brand, legal, regulatory and compliance teams for age-appropriateness.

Marketing has a target: smokers age 30+.

We've put 'the alternative for adult smokers' on front face of all packaging for the past year. That line also makes it into our external marketing.

Nicotine strength is noted both on front and back of packaging and always has been - we have never tried to hide this - this is important for smokers considering switching to vapor to understand the transition experience:

- Front: 5% strength
- Back: 1 JUULpod contains - 0.7mL with 5% nicotine by weight // approximately equivalent to about 1 pack of cigarettes

Flavor names changed in 2016 to be less of what was perceived to be 'playful' (i.e. convention was Fruut, Miint, Tabaac) to be more simplistically descriptive: Fruit Medley, Cool Mint, Virginia

Tobacco. Creme Brulee, a French dessert, was seen as being a more adult name for a dessert flavor - and the word 'Medley' was added to fruit toward the same goal.

# Exhibit 16





# Photo



juulvapor



[View Insights](#)

Promote



Liked by [REDACTED] and 194 others

juulvapor #JUULvapor

[View all 21 comments](#)

MAY 2, 2016



# Exhibit 17



Promote

JULY 6, 2016



# Exhibit 18



Photo



juulvapor



[View Insights](#)

[Promote](#)



Liked by [REDACTED] and 533 others

**juulvapor #MintMonday:** Start your week with Cool Mint #JUULpods, crisp peppermint flavor with a refreshing aftertaste. Double tap if Cool Mint is your go-to flavor.



# Exhibit 19



# Social Media Audit

April 2018



The background of the slide is a photograph of a glass of water with a straw, a JUUL device, and a small box on a tray. The image is overlaid with a semi-transparent purple filter.

# Overview

Room 214 audited and analyzed JUUL's presence on Facebook, Twitter, and Instagram. From this audit, JUUL can gain a clearer picture of where the brand stands today from a consumer-facing perspective and against competitors, as well as what can be done to improve the JUUL brand positioning moving forward.

JUUL

# SWOT Analysis

## Facebook

**Strengths:** Strong engagement with new releases

**Weaknesses:** Links to referral program but website link is broken

**Opportunities:** Optimize content across platforms

**Threats:** Other brands, such as blu, are creating high quality educational content

## Twitter

**Strengths:** Great consumer engagement and loyal following

**Weaknesses:** Lack of JUUL engaging back with fans

**Opportunities:** Authentic marketing materials to combat underage use

**Threats:** Negative news coverage

## Instagram

**Strengths:** High quality content and a loyal following

**Weaknesses:** Less effort shown to combat underage use until April 24th, 2018

**Opportunities:** Tell the customer story in a more cohesive strategic way

**Threats:** Underage pages present risk for brand damage & additional regulation



## Facebook

**Overall:** Content is well-produced with some consistent themes scattered throughout, covering a variety of key values and topics.

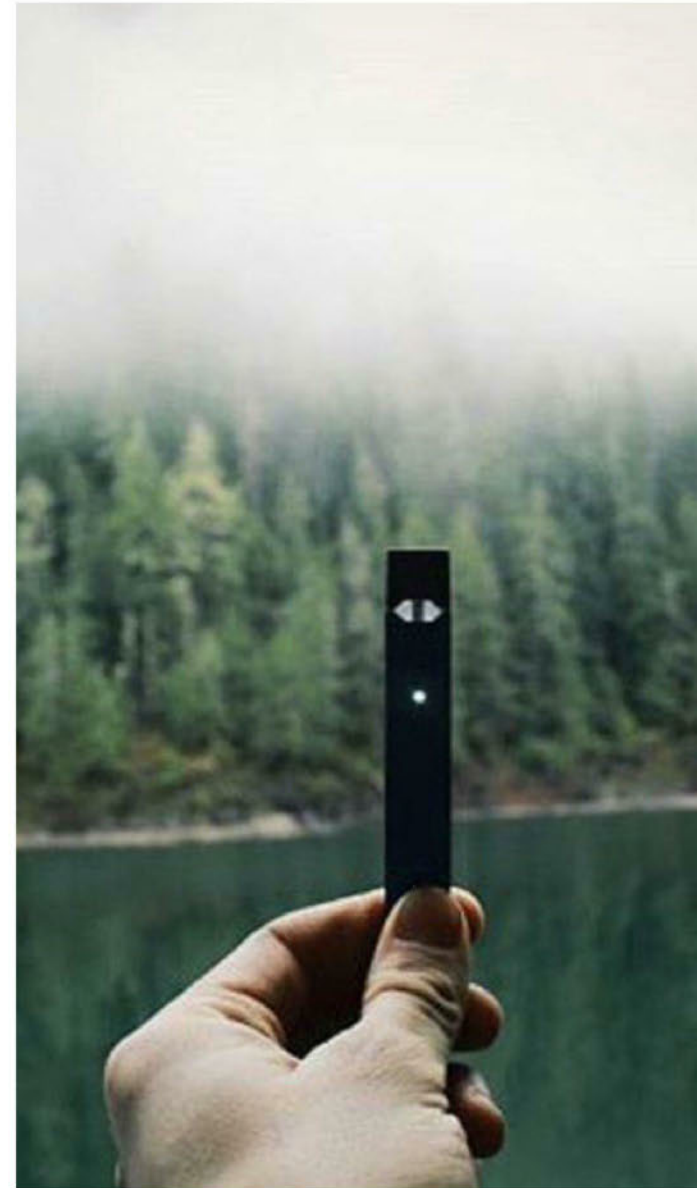
**Top performing content:** Limited edition content for gold and navy colors and flavor-focused content sees the highest levels of engagement.

**Gaps in brand and messaging:** Clear messaging and consistent look and feel across all content is lacking (i.e., flavor destination feels disconnected from other content and there is a lack of consistency in punctuation). Fans often ask for low or nicotine-free pods, and product development in this area could help build an authentic connection with fans.

**Key metrics for success:** Engagement rate, shares, link clicks, and sentiment. Consider tracking website traffic, developing landing pages, and conversion tracking.

**Understand key differences to competitors:** Campaigns such as Switch to JUUL, JUUL Moment and Flavor Destinations are campaigns that separate JUUL from competitors. The JUUL Moment and Flavor Destinations content relate the product to lifestyle activities and differentiated flavors. JUUL sees high engagement rates, which is great especially considering that JUUL's Facebook fan count is lower than some competitors.

**Determine approach for future goals/strategy:** There are opportunities to further engage with fans. Through small giveaways or larger contest executions that meet FDA regulations, the brand can draw new audiences in and spread the word about JUUL among your target consumers. Continuing to introduce limited edition colors and flavors could help to activate your existing audiences, and putting product decisions in their hands could drive significant engagement, as well as opportunities to re-engage.



# Twitter

**Overall:** Overall content feels a bit stale and promotional on this platform.

**Top performing content:** Most engaging tweets consist of new product colors and flavors. All other content lacks engagement with few likes or retweets.

**Gaps in brand and messaging:** There is a heavy volume of conversation from reputable news sources and influencers on "the JUUL epidemic" among teens. On April 24th JUUL posted a message from the CEO addressing teen use and the significant media conversation around teen use. This messaging should be continued and expanded in an authentic way.

**Key metrics for success:** Sentiment, engagement rate, mentions, link clicks. Consider engaging with news/current events. Host a Twitter QA.

**Understand key differences to competitors:** The Switch to JUUL campaign is unique among competition. No other brand uses a call-to-action as a social action, which has really helped drive engagement around this campaign. Continue brainstorming ways to expand on this campaign with testimonials or customer stories.

**Determine approach for future goals/strategy:** There is opportunity on this platform to share engaging and authentic editorial content and testimonials to tell a more relatable brand story. Adopting a more conversational and approachable content style and tone could help foster meaningful conversations on the platform as well.

JUUL @JUULvapor · Apr 8  
Gold Rush. Limited Edition Blush Gold is now available online while supplies last, exclusively for #JUUL Auto-Ship Subscribers. Learn more: [bit.ly/2Ew1qui](https://bit.ly/2Ew1qui) #JUULvapor



JUUL @JUULvapor · Mar 29  
Questions about age verification? Get all the information you need about our policies & find assistance here: [bit.ly/2lbOkF2](https://bit.ly/2lbOkF2) #JUULtips





# Instagram

**Overall:** Content is well produced, but lacks consistency in theme and strategy.

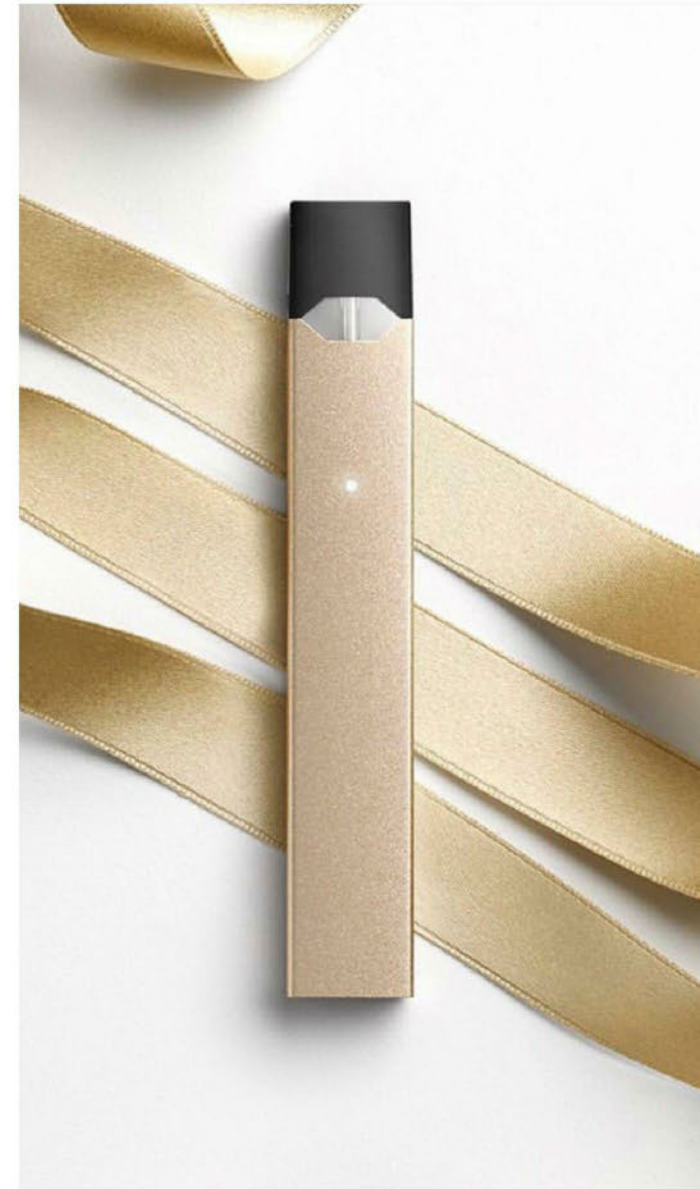
**Top performing content:** Product launches, new colors, and releases garner the strongest engagement.

**Gaps in brand and messaging:** With a very young demographic using Instagram, JUUL's profile could benefit from additional educational content on the addictive properties of nicotine and resources to help with nicotine addiction.

**Key metrics for success:** Reach, engagement rate, saves, sentiment.

**Understand key differences to competitors:** JUUL has developed a community of loyal JUUL enthusiasts. The fan pages that are run by those of vaping age demonstrate a brand loyalty and viral quality that no other vape brand possesses. This is a huge advantage, but should be monitored closely as there is also a huge community of underage users running fan & meme pages about JUULing. Consider working with Instagram platform representatives to have these pages shut down.

**Determine approach for future goals/strategy:** JUUL's presence on Instagram should adopt a more cohesive visual strategy. Consider featuring customer success stories. These stories can speak more to older users of the product and help provide context during media storms. Stay away from text-heavy and graphic content on this platform. Consider Instagram Stories as a more authentic way to connect with fans.



blu

# SWOT Analysis

## Facebook

**Strengths:** Educational content

**Weaknesses:** Lack of video content

**Opportunities:** Tell real, long-form customer stories

**Threats:** There are many negative reviews on their Facebook page and product defects present a threat

## Twitter

**Strengths:** Use of humor and relatable brand voice

**Weaknesses:** High frequency of promotional offers makes the content sales-driven and not as beneficial for fans

**Opportunities:** Create offers in a more native way to the platform

**Threats:** Negative press regarding e-cigarettes and vaping

## Instagram

**Strengths:** Strong influencer campaigns

**Weaknesses:** Content speaks to a very specific customer, limiting their potential relevance

**Opportunities:** Capitalize on the performance of the new product design

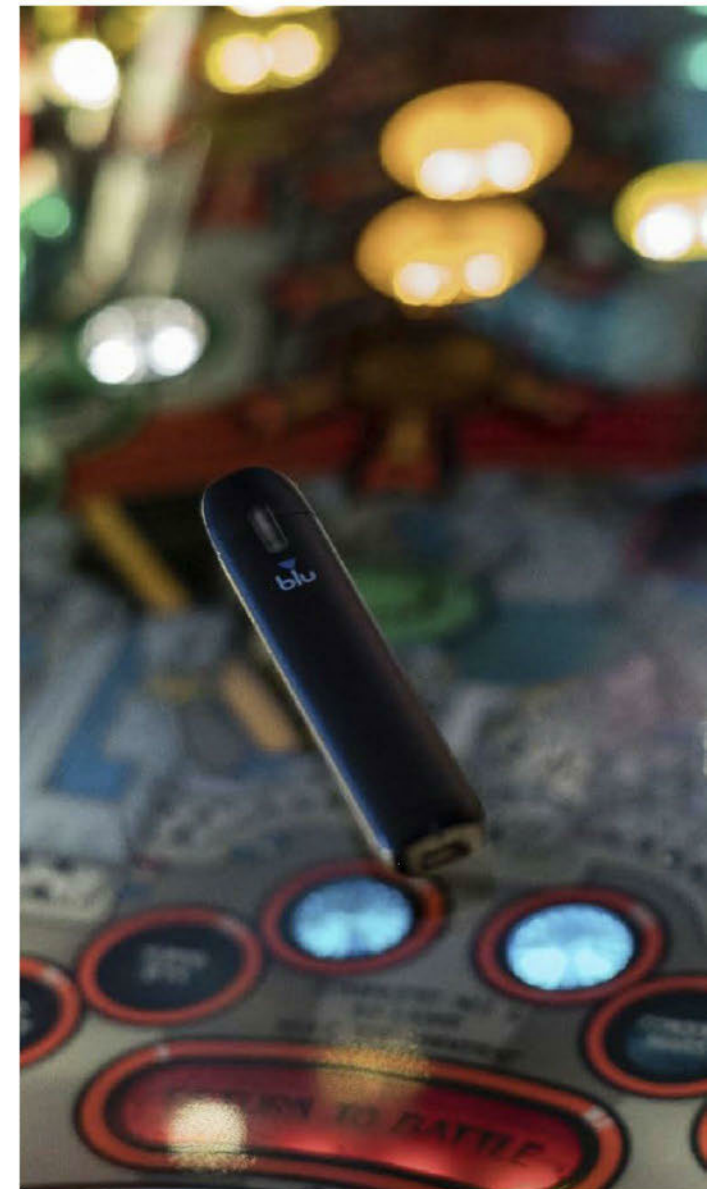
**Threats:** High profile influencers present a risk for PR issues

## Facebook

**Overall:** blu uses Facebook to push more educational and editorial content like informative videos and blog posts. Overall, customer service and interaction is consistent and personal.

**Top performing content:** blu's THIS campaign launching their new product design seems to be a top performer. Customers love the new design and are vocal about their satisfaction on social media.

**What can we learn:** Creating longer-form, editorial content for JUUL could help facilitate positive conversations, and educate consumers.





## Twitter

**Overall:** blu has a more approachable and humorous tone than JUUL on Twitter. They consistently interact with fans, and are working with some influencers on the platform. It is interesting to note that all of blu's influencers appeal to a much younger audience and all of their content models are young adults. This could prove problematic for the brand in the future.

**Top performing content:** In January, blu launched their redesigned vape pen along with the "THIS" campaign. Fans seem very receptive of the new product design which is shaped more like JUUL and less like a traditional cigarette now.

**What can we learn:** JUUL could benefit from adopting this more approachable tone and interacting informally with influencers and fans to develop a more personal tone of voice on Twitter, but could greatly improve on blu's techniques of using young people in their marketing materials, by using real customers in testimonials and marketing materials.



# Instagram

**Overall:** blu has a very consistent theme on their Instagram feed. They utilize darker tones and lifestyle content and appear to have formal influencer relationships including Post Malone and Nikee Heaton. Their messaging focuses on #somethingbetter and tells real stories of users who have made the switch to blu. Overall their content overtly appeals to a young audience and they are positioning themselves as the “cool” brand, which is a huge risk to take given the state of the industry.

**Top performing content:** The influencer content looks to be the most engaging. Influencer posts on the blu feed garner a few hundred engagements, but they are also posting about the product on their own channels. A post from Nikee Heaton receives around 50,000 likes alone.

**What can we learn:** Partnering with high profile influencers could be a beneficial strategy for JUUL. Considering the problem with under age vaping, JUUL would be wise to choose influencers or celebrities that are older than who blu is using, in order to appeal and relate to JUUL’s core audience of older adults that have switched to JUUL.





# Phix

# SWOT Analysis

## Facebook

**Strengths:** Content has a consistent visual theme

**Weaknesses:** Content is not differentiated or optimized for the platform

**Opportunities:** Additional work with influencers could strengthen Phix's brand position

**Threats:** Additional advertising regulation

## Twitter

No Twitter account activity

## Instagram

**Strengths:** Unique and edgy visual style

**Weaknesses:** Phix has positioned themselves very narrowly as a "cool" brand

**Opportunities:** Broaden content targeting to a wider audience

**Threats:** Additional advertising regulation

## Facebook

**Overall:** It appears that Phix has made Instagram its priority channel and simply reuses content on Facebook. Content is not optimized for the platform. All likes drive to the homepage of their website, leaving huge untapped conversion opportunity.

**Top performing content:** Engagement on content is very low on Phix's Facebook. Their following is relatively small compared to Instagram, again suggesting that Facebook is not a priority platform. This also indicates that they are targeting a younger audience.

**What can we learn:** Content should be designed and optimized for each platform. Facebook in particular should be used for driving traffic to your website and naturally driving sales when applicable.



# Instagram

**Overall:** Phix has a unique and edgy visual style that appeals to a young demographic. They seem to be capitalizing on “the cool factor” by featuring smoke tricks and casual use. They have positioned themselves on social as a trendy brand instead of an alternative for adult smokers.

**Top performing content:** Stylized lifestyle shots like the one shown here perform best on Phix's Instagram feed. Though they have 22.9K followers, they garner below average engagement rates with only a few hundred likes per photo.

**What can we learn:** Advertising casual use to young people is not only unethical, but will likely subject Phix to additional regulation in the near future. Phix's social strategy will be disrupted if platforms or government impose additional regulations.



iQos

# SWOT Analysis

## Facebook

No Facebook account. Social button on website links to Philip Morris International's Facebook page

## Twitter

No Twitter account. Social button on website links to Philip Morris International's Twitter page

## Instagram

No Instagram account



## What can we learn?

**Overall:** iQos lack of social presence is a huge miss for the brand. The links on the website driving to Philip Morris social pages are confusing and present a disconnect between customers and the brand. The brand and product lack personality and relatability.

Their lack of marketing for the iQos will likely negatively affect the performance of the brand, especially in a growing and competitive category.



A photograph of a glass of water on a wooden tray, with several small, dark, rectangular objects scattered on the tray. The image is overlaid with a semi-transparent purple filter. The text "Best in Class Brands" is centered over the image in a white, bold, sans-serif font.

# Best in Class Brands



## BaubleBar

**Why we picked BaubleBar:** BaubleBar is a brand that knows their audience extremely well and has a cohesive marketing plan to speak to their primary persona.

- **Branding:** Their content always stays true to the brand's look and feel. All assets are clean but trendy and keep the focus on the most important part of the interaction, which is the product
- **Content strategy:** All digital marketing efforts are cohesive, tied together and supportive of one another. Although the same content is posted across the social platforms each day, their marketing materials compliment each other. Emails will share links to products that people would have seen Instagram influencers -- who range from fashion micro-influencers to household names like Rachel Zoe -- wearing and promoting. They're effective in paid advertising, especially with retargeting on social that shows the items you recently viewed on their website or abandoned in the cart. All digital content leads to a highly optimized e-commerce site to make the path to purchase dangerously easy
- **Audience research:** BaubleBar's content is clearly geared toward their main audience and they know how to sell to that persona and the lifestyle they live. They balance evergreen content with timely promotions that speak to the persona's lifestyle such as trendy jewelry for festival season
- **Email programs:** There is a lot of effort and strategy behind their emails. The content ranges from strategic sales that have the right tone of urgency to new product alerts. If you haven't visited in a while they'll send you a discount code to get your attention or they'll send emails tailored to your purchase history

**JUUL's approach:** Hone in on the lifestyle of your primary target audiences and make sure that all digital marketing efforts compliments one another.



# Johnnie Walker

**Why we picked Johnnie Walker:** This brand has done an exceptional job of marketing in a highly regulated space, staying true to their brand and taking a fearless stance on world issues.

- **Branding:** Their vintage visual style is unique and appeals to an older audience who is willing to pay more for quality whiskey. They rely on their heritage while looking towards the future
- **Experimentation:** They recently launched their “Jane Walker” campaign, turning their iconic logo into a female, and took a stance on women’s rights issues in the U.S. Although some may see this as risky, it’s a smart move to speak to a huge secondary target audience
- **User-generated content:** While this brand’s content has a highly polished look and feel, they are strategic with resharing their fans’ content. They are digitally savvy with best practices and regulations around this practice by linking to their UGC policy on their website
- **Lifestyle support:** Their website is an excellent resource of content that enhances the consumer’s whiskey experience. They have figured out how to continually talk to their audience and garner return visits to digital assets when the primary path to purchase usually involves the local liquor store. Content includes cocktail recipes, educational content to enhance the consumer’s whisky knowledge, pledges to never drink and drive, local store/bar locators and partnerships with content producers such as drinkiq.com or responsibility.com

**JUUL’s approach:** Speak to the lifestyle around product use and how to enhance the experience. Continue to stand by your mission in an authentic way to help people consume in a safer way.





# Patagonia

**Why we picked Patagonia:** Patagonia is on a mission to provide the gear you need while helping you to feel good in knowing your purchase contributed to protecting the planet.

- **Mission first, product second:** Patagonia supports connection between consumers and nature. They care about the fight to protect our planet and creating products that have the perfect balance between simplicity and utility. The two buttons at the top of the site are shop and inside Patagonia -- each have equal real estate and priority. To make sure they walk the talk, in 2016 all Black Friday sales were donated to organizations that benefit the environment. An intern's idea was shared with the CEO and within 10 minutes of hearing the idea it was a yes. They expected to donate \$2 million, but the campaign was so popular that they earned \$10 million in revenue. Even though it was beyond the expectation, the entire sum still went to supporting their mission
- **Authenticity:** The social content is dedicated to fueling passion for an active life lived outside. They don't prioritize product sales (if you scroll through Facebook or Instagram, you'll be hard pressed to find a product mention or link), they know you'll purchase what you need to feed that hunger you feel when scrolling through their Instagram feed
- **Strategic segmentation:** The main social profiles speak to the vast amount activities that the great outdoors provide. But, they know enthusiasts exist so they provide segmented social profiles for fanatics through accounts like Patagonia Climbing, Patagonia Surf, etc.

**JUUL's approach:** Include more content that highlights the work of JUUL Labs and the mission of the brand. Content should always show the innovation of JUUL, demonstrate the values named on your site and have a purpose to enhance the audience's lifestyle.



A photograph of a glass of water on a wooden tray with several cigars, overlaid with a semi-transparent purple filter. The text "Insights & Recommendations" is centered in white.

# Insights & Recommendations



## Insights & Assessment

JUUL has an incredibly strong digital position in this industry. Despite conversation around underage users, JUUL's fans are loyal and eager to share their stories online. JUUL has a stronger, more consistent, and more ethical presence than any other competitor.

### Moving forward

JUUL needs to take an unmistakable stand on teen usage and the content that was posted towards the end of April was a great start to this strategy. All content needs to be cohesive and have an authentic approach to reflect brand values, leaving zero room for interpretation from parents or the media. This can be executed with a more defined content strategy, influencer partnerships with people who are representative of JUUL's core audience, and avoiding using young adults in marketing materials. Any negative press can be combated with a bulletproof social marketing strategy.

### Owned properties

JUUL can further protect themselves against negative press and the threat of additional government regulations by investing more heavily in owned channels such as the JUUL blog and a strong email program. These are ways to connect directly with loyal consumers and mitigate risk.



## Short-Term Recommendations

To implement change quickly, here are quick wins and recommendations that can be impactful.

- **Proofread and QA:** Review all social copy with a fine toothed comb for formatting issues, poor grammar, and typos
- **Update bios:** Especially while the brand is fighting negative press, update social bios to link to the “Our Perspective” website page to show JUUL’s approach and make the youth prevention and education content more accessible
- **Referral program:** Update the site link for the referral program and share information about this on social
- **Engage with fans:** Amp up responding to and interacting with fans on social, especially on Twitter. Hosting a Twitter QA would be great to test as well
- **Stagger content:** Switch up the posting schedule so the channels don’t post the same copy and images on the same day
- **Monitor competitor complaints:** Monitor for customers complaining about competitor product and respond by mentioning to #SwitchToJUUL
- **Request more general brand imagery:** Several images are repeated on social for the overall brand posts and more variety is needed
- **Content themes:** Represent more content themes in the calendar consistently, especially brand mission and lifestyle posts
- **Remove unauthorized accounts:** Work with platform reps to remove copycat accounts that don’t share JUUL’s branding and messaging. Copycat accounts can perpetuate to the negative message in the media right now
- **Content reporting:** Share content reports with the Creative team during quarterly concepting to show what content works for social and what the team needs more of



## Long-Term Recommendations

To keep up the great momentum of the brand and maintain the authentic approach to strategic content, here are the recommendations to move the brand forward over time.

- **Customer stories:** To show JUUL's mission and the benefit of the products over competitor's, gather more customer stories, reviews and testimonials. Increasing the library of customer experiences will help to show JUUL's mission in action. Stories could even be shared from customers who used JUUL to quit smoking/vaping entirely and how they are living a consumption-free life now
- **Influencers:** Work to find social influencers and brand advocates to help spread the brand reach. While influencers could be used to help boost product use and sales, younger influencers could be commissioned to share the youth prevention message
- **Long-form content:** Increase the amount of long-form content to be used across social and on JUUL's website. A blog, more video content and longer testimonials would be very beneficial to use for a cohesive content and marketing strategy
- **Customer product input:** Show JUUL's love and appreciation for their fans by introducing products requested through social conversation monitoring, promotions where fans vote or share ideas for new flavors, and producing requested products like lower or nicotine-free pods
- **Crisis management:** Have the brand and marketing team work together to have a crisis management plan in place. The plan should have quick yet thoughtful responses ready to share with the media as well as the steps to take to plan how to approach the conversation while upholding the brand messaging, values, and stance



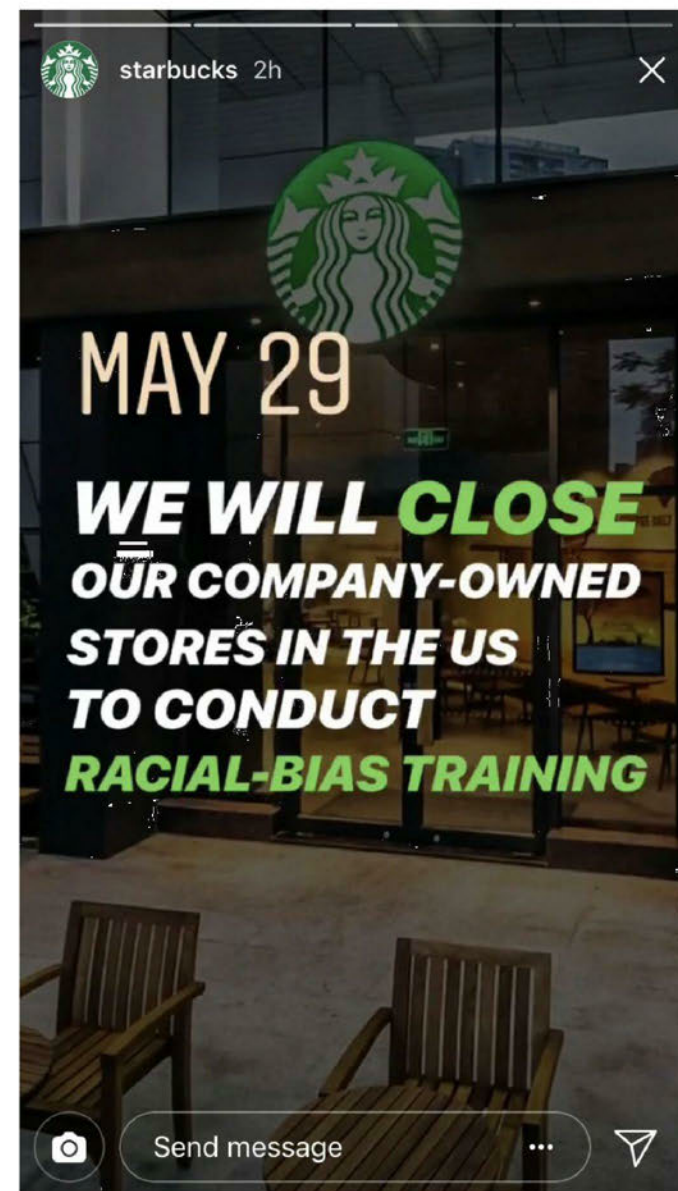
## Conversation Management

**Importance of social listening:** When a brand is under fire, it's easy to react with silence or make quick decisions to put out the fire. Often brands act before looking at the true pulse of the conversation within the audience. Social listening is important to conduct on an ongoing basis, but it's especially important during moments of crisis.

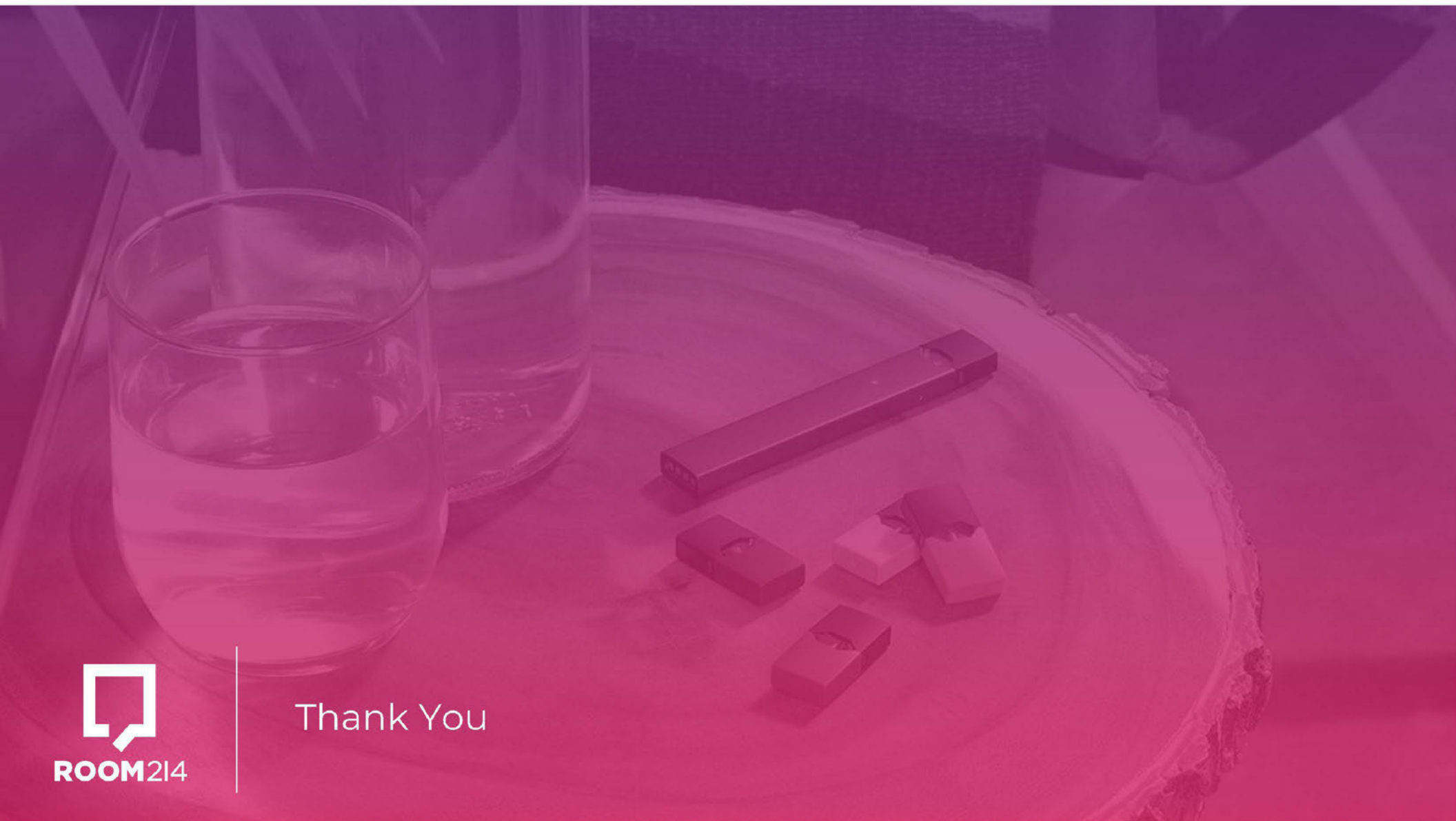
**Approaches:** Although you have to find what's right for your brand, these steps will guide you to a better conversation:

- Be authentic and as transparent as possible. Social media users are able to sniff out when you're not being honest and will call you out for saying one thing and doing another. Transparency is often rewarded by those willing to stand by you
- Remember that not saying anything is just as bad or arguably worse than taking a stand. Don't appear to hide behind the negative sentiment -- taking a stand will solicit respect from your audience
- Follow through is incredibly important to gain credibility. If a brand promises change and doesn't deliver after the press has died down, you will be inviting the same negative conversation, but worse due to the watchdogs looking to see if the brand follows through or not
- JUUL needs to offer resources to teens struggling with nicotine addictions and talk about the seriousness of addiction on their social channels

**Starbucks:** Starbucks has been in the news for an issue around racial bias. They were able to act swiftly, take meaningful action and were transparent about their plan and stance. This indicates that they had a crisis management plan and protocol in place to be able to act swiftly. It would be incredibly valuable for JUUL to plan their approach to crisis management in advance as this conversation will continue.







Thank You

# Exhibit 20

# Launch Overview

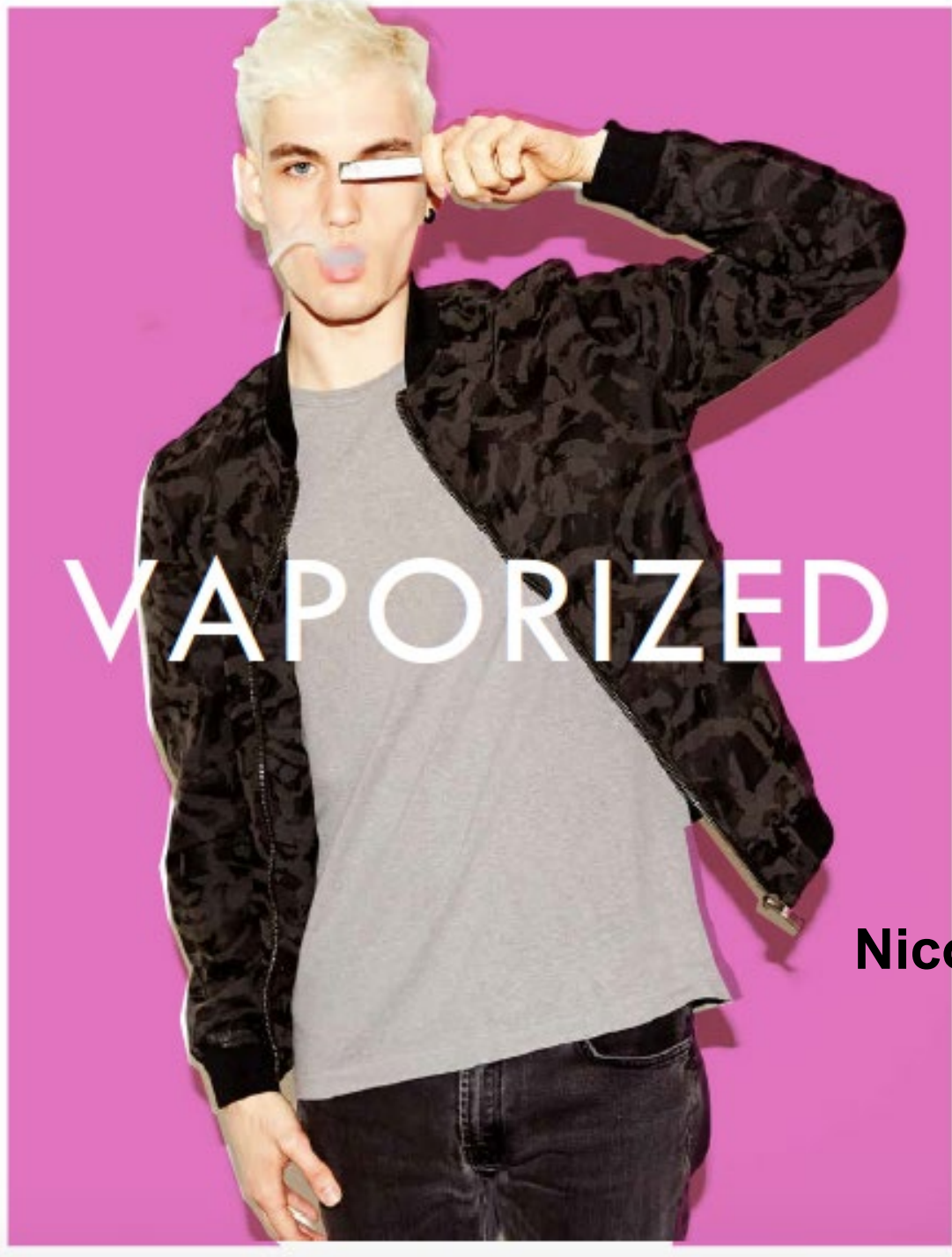




# Campaign Creative

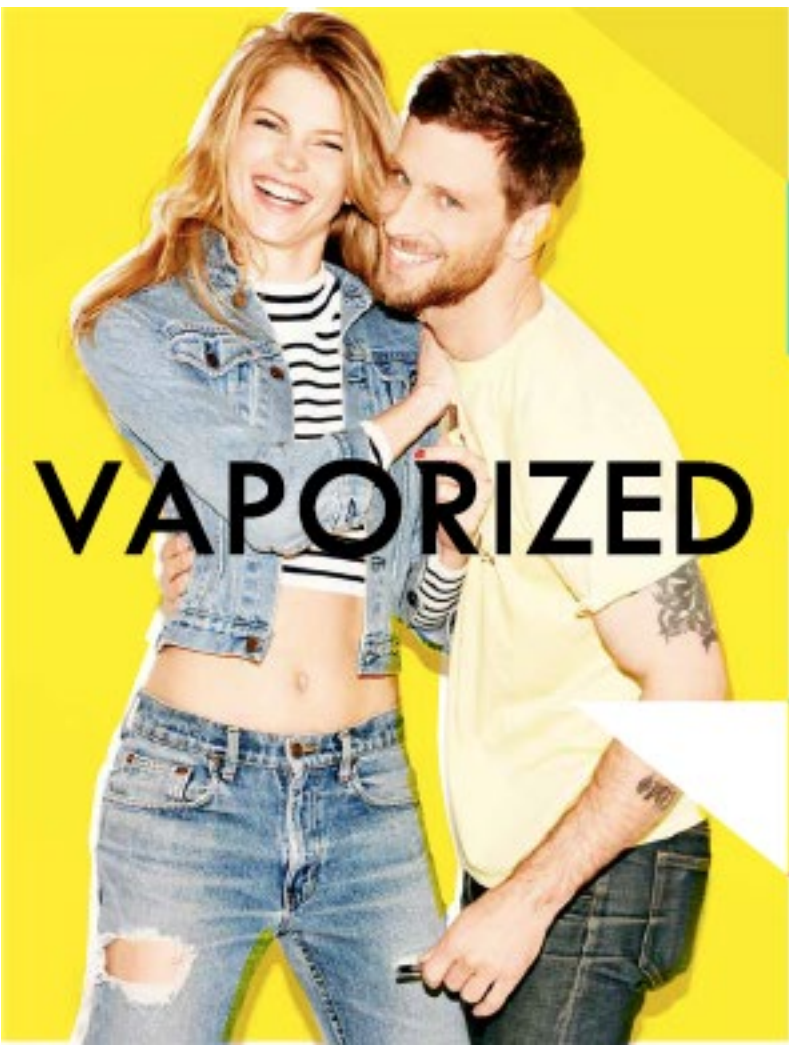
The **Smoking Evolved / VAPORIZED** campaign features 10 New York trendsetters who embody the JUUL brand and speak to millennial consumers seeking a stylish and simple new way to enjoy nicotine with the latest vapor technology. These ambassadors also form the core of our influencer marketing strategy, which will engage New York and Los Angeles up-and-comers to use and promote the JUUL brand in a series of web-based and event interactions in 2015.

James Magnum / Model



Nicole Boerner / Model

Erik Rasmussen /  
Animator



Nicole Winge / Photographer

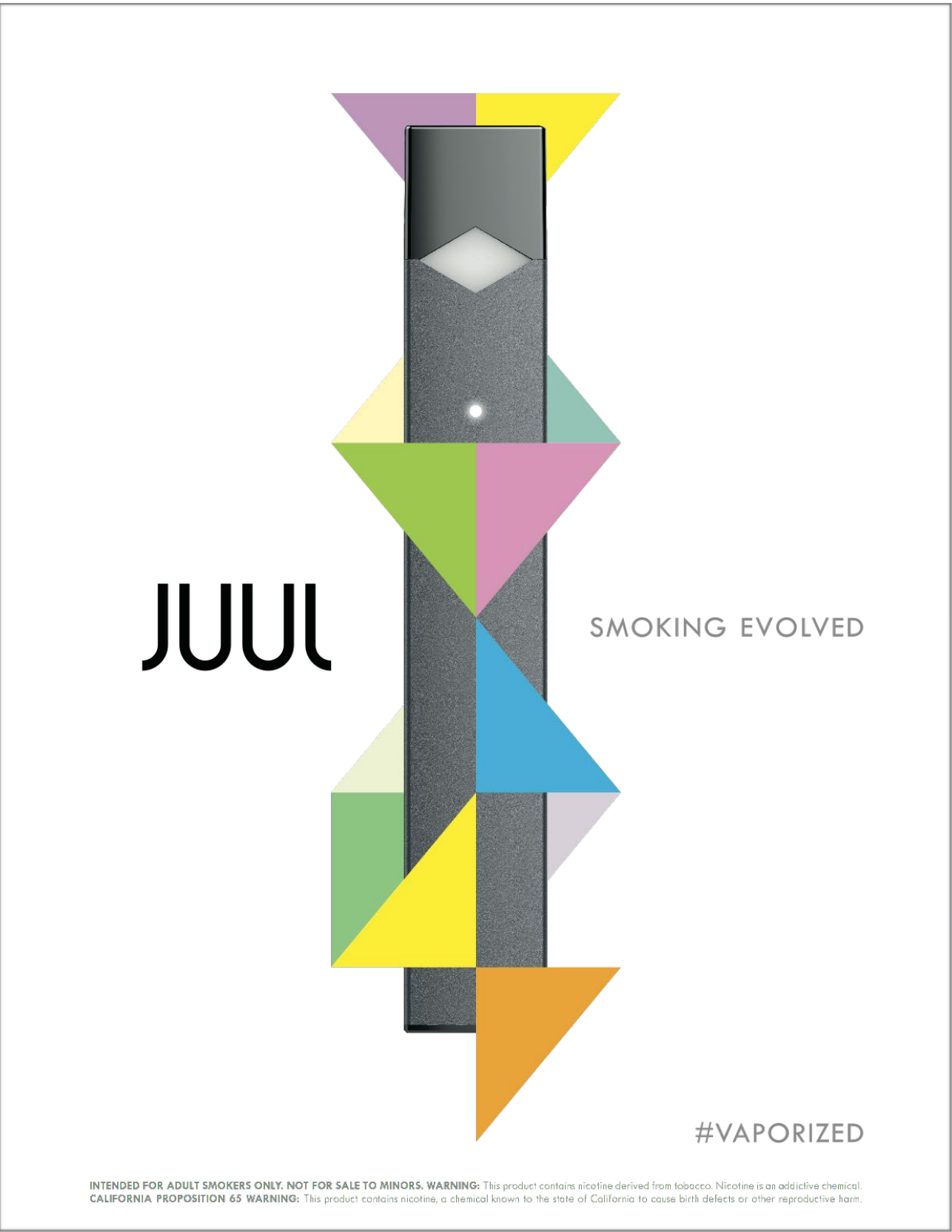




# Trade Creative

The JUUL brand is colorful, approachable, dynamic and fun - core elements of trade support assets. Our marketing stands out among competitors at retail due to both our modern brand approach and our quality of materials, ranging from merchandising to in-store POS and digital advertising.

Merchandising Unit



Retail Video Stills



# Exhibit 21

**From:** Chelsea Kania on behalf of Chelsea Kania <[REDACTED]>  
**To:** [REDACTED]  
**Sent:** 6/30/2015 10:55:19 AM  
**Subject:** Re: JUUL and the brand message

For sure : ) I have a thought about a test we could do to directly address their concern, gain some insight, take the next brand step, etc.

On Tue, Jun 30, 2015 at 10:48 AM, [REDACTED] > wrote:  
FYI. This is becoming a common conversation that continues to come up. Would love to talk with you about it, and my thoughts on how to move this forward.

----- Forwarded message -----

**From:** [REDACTED]  
**Date:** Mon, Jun 29, 2015 at 4:43 PM  
**Subject:** JUUL and the brand message  
**To:** [REDACTED]

[REDACTED] -

In checking my notes from the last month of weekly board calls, I am noticing a trend in a line of questions about "are we sure the current brand for JUUL is the right one". No action required, but figured I would share my thoughts. We can chat next time you are in the office at your convenience.

Our board members are more involved than most, and likely crazier than most, given the depth of experience they have in this industry. It's always good to listen, but best to take it with a grain of (nicotine) salt.

The JUUL brand has come up as a discussion point at each board call this month, but never as a top level concern. You may recall Nick saying "it feels too young", or Riaz commenting on how harsh the YouTube comments were at the last full board meeting. The weekly calls have a similar tone - always a comment, but never a deep discussion.

So why mention it? I'm fully aware of the near-miracle it took to get JUUL branded and out at all on such a short timeline. James is constantly reminding the board of this too. But I can see this question is going to come up in August when we have the first set of data coming in. Is x result because of the branding? We also may see JUUL in a new light once our press approval process is in place, and the corporate mission effort you are leading with [REDACTED] gets more finalized.

It might be worth considering having your creative team think through some scenarios of the August results in advance of those results coming in. I bet there are some extreme scenarios that would have you revisit the branding (or dramatically adjust the messaging). If you had a one-page example of how the branding would change, we could lead that discussion, should it happen, rather than having the board try and write copy.

Food for thought, anyway.

[REDACTED]

--



 Chief Operating Officer  
[PAX Labs, Inc.](#) | 660 Alabama Street, Second Floor, San Francisco, CA 94110 | m 



[newsletter-button](#) [facebook-button](#) [twitter-button](#)

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This message and any files transmitted with it may contain information which is confidential or privileged. If you are not the intended recipient, please advise the sender immediately by reply e-mail and delete this message and any attachments without retaining a copy thereof.

--  
 chief marketing officer  
[PAX Labs, Inc.](#) | 660 Alabama Street, Second Floor, San Francisco, CA 94110 | m 



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This message and any files transmitted with it may contain information which is confidential or privileged. If you are not the intended recipient, please advise the sender immediately by reply e-mail and delete this message and any attachments without retaining a copy thereof.

--  
**Chelsea Kania** | brand manager  
[PAX Labs, Inc.](#) | 660 Alabama Street, Second Floor, San Francisco, CA 94110 | 



# Exhibit 22

# Legal & Compliance Guidance

1/20/2017

# Rebrand Summary

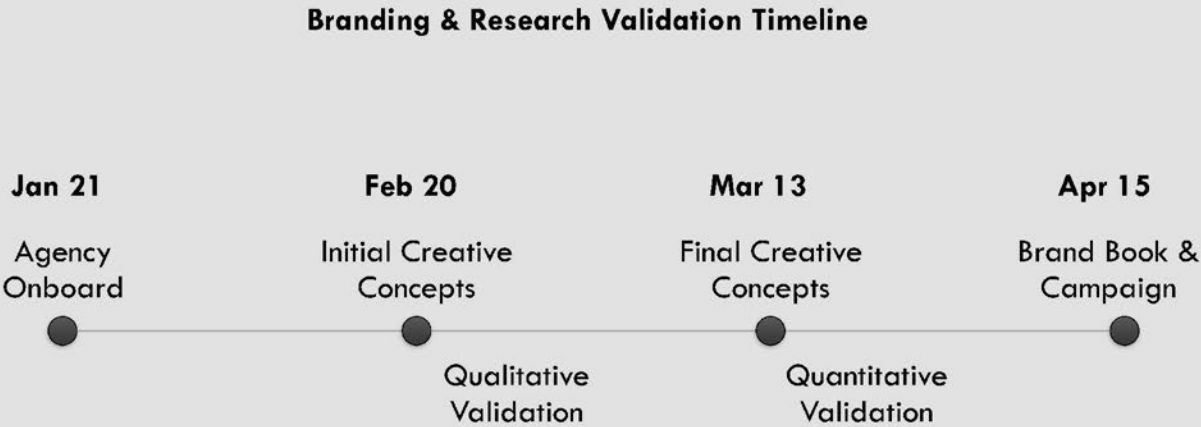
Objective: Develop a creative JUUL brand identity that effectively targets smokers interested in switching, with quantifiable validation of brand resonance and compliance.

**Trend Interested & Vape Curious:**  
**>50% of smokers**



**Key Benefits Insights**

- Unique satisfaction enables them to switch
- Odorless vapor means social respectfulness
- Affordable compared to cigarettes



## Legal Parameters: Rebrand Guidance

Please regard the following principles, direction and parameters during brand concept development. During quant study validation, we will goal each concept on attaining 75% agreement to proactive compliance questions.

Principles	Direction	Parameters	Quant Study - 75% participants agree...
We are targeting adult consumers	Models appear age 40+	<ul style="list-style-type: none"><li>- models over 40 years old</li><li>- models look mature</li><li>- models not doing activities that could be seen as youthful</li></ul>	"Does this ad appear to be targeting adults?"
The marketing and positioning is intended and resonant with adults, not youth	Tone and visual of brand does not appeal to children/youth	<ul style="list-style-type: none"><li>- no primary colors in palette</li><li>- no slang</li><li>- graphic treatment isn't juvenile or trendy</li><li>- no romance or sex appeal</li></ul>	
We want to drive consumers to switch from smoking, not to bring new tobacco consumers	Benefits appear to be targeted towards adult smokers (see target segments)	<ul style="list-style-type: none"><li>- focus on switching</li><li>- reinforcing adults-only/nicotine not for general consumption</li><li>- balance benefits of vapor with warnings</li></ul>	"Does this ad appear to target smokers?"
We care about well-being of our consumers	Benefits appear to be positive ones	<ul style="list-style-type: none"><li>- avoid scary, sensitive tech language</li><li>- reinforce that JUUL is from an innovative company</li></ul>	

PLI SRA contact: [REDACTED]

Approvals: General Counsel + [REDACTED] + External Legal Counsel

Research contact: [REDACTED]

## Legal Parameters: JUUL Marketing Code

In addition to the following code and legal parameters, we will comply with additional local regulatory restrictions where they exist.

### Marketing & Advertising Requirements

- Talk about the product:
- Use absolute vs. relative terms
- Use descriptive words like: 'satisfying' or 'enjoyable'
- Avoid superior comparisons like 'better tasting'
- Avoid 'alternative':
- Avoid describing as an 'alternative' to combustibles or to other products
- Ok to carefully apply concept of alternative

### Switching vs. Quitting

- Do not state or suggest it can be used for smoking cessation or reduction, if asked, it has not been approved for this purpose
- Ok to address JUUL as a product for adult smokers who are interested in switching to vapor
- Ok to say that JUUL may help smokers to displace their cigarette use

### Prohibition on Sales and Advertising to Minors

- Age Verification for consumer sales
- Must ID anyone who appears under 26 years old
- Advertisements cannot target minors
- Advertisements cannot include the following:
  - 1.Images of models/people under the age of 30 years old
  - 2.Cartoons (Intended and designed for people under the age of 21 years old)
  - 3.Art (Intended and designed for people under the age of 21 years old)
  - 4.Fashion (Intended and designed for people under the age of 21 years old)
  - 5.Music (Intended and designed for people under the age of 21 years old)
  - 6.Advertisements cannot appear in any media that has more than 25% under 18 years older readership
  - 7.Outdoor advertisements cannot be placed within 1,000 feet of any school or playground
  - 8.Cannot sponsor any athletic, musical or cultural events unless such events are designated as prohibiting patrons under the age of 18 years old

### Nicotine addiction

- Ok to report on nicotine content
- Do not report nicotine content relative to another product
- It's for adults
- Affirm this is for adults where possible and appropriate Health effects
- Refer only to what FDA says
- Cite public health groups. Don't frame these as company views
- Do not represent the product as 'safe/without risk' to use

### Prohibition on Health and Safety Claims

- Cannot advertise as smoking-cessation device
- Cannot use claims or testimonials about quitting smoking or using e-cigarettes as a treatment for tobacco dependence/addiction
- Cannot claim the product does not expose users to carcinogens
- Cannot claim the product is better or safer than tobacco
- Cannot claim the product does not produce secondhand smoke





## Legal Parameters: Copy Guidance

---

The next several pages include details and important legal information about JUUL. It looks like a lot of information, but it's a quick read. And well worth it. Thanks for working with us. Adhering to this info makes our messaging clear and in compliance with important regulatory information.

### WHAT WE RECOMMEND:

- Talk about the product
- Use absolute vs. relative terms
- Use descriptive words like: 'satisfying' or 'enjoyable'
- Avoid superior comparisons like 'better tasting'
- Avoid statements that could conflict with local/national ordinances - i.e. can use indoors/in more places, anything age-related, etc.
- Ok to carefully apply concept of alternative
  - Ok: 'a satisfying alternative to cigarettes'
  - Not Ok: 'a satisfying alternative to other vapor products'

### WORDS TO AVOID:

better / improvement / superior  
buzz / high / craving  
quitting / cessation  
healthy / beneficial  
fun / happy / sexy / funny / edgy / slick

### OK WORDS:

satisfying / experience / switching  
simple / easy / elegant / quality  
flavorful / bold / intense  
for adult smokers  
smart / intelligent / evolution

## Legal Parameters: Messaging Satisfaction & Switching

---

### **Do not say:**

- Do not state or suggest JUUL can be used for smoking cessation or reduction - if asked, it has not been approved for this purpose
- Do not state that JUUL mitigates craving
- Avoid words like quitting and cessation, even when they are used to mean switching
- Do not make claims or suggest that switching has any physiological impact or that JUUL has unique physiological impact which is not common to all tobacco products - for example, don't say that JUUL is safe or effective in any context (i.e. 'JUUL is effective at switching/more effective than VTMs')

### **Do say:**

- Ok to say product gives you a 'satisfying hit' in some cases, but use should be reviewed by legal
- Ok to address JUUL as a product for adult smokers who are interested in switching to vapor
- Ok to say that JUUL may help smokers to displace their cigarette use
- Ok and encouraged to say that JUUL is a genuinely satisfying alternative to cigarettes

## Legal Parameters: Do Not Promote to Minors

---

### DO NOT PROMOTE TO MINORS:

- Age Verification for consumer sales
- Must ID anyone who appears under 26 years old
- Advertisements cannot target minors

### ADS CANNOT INCLUDE THE FOLLOWING:

- Images of models/people under the age of 30 years old
- Cartoons (Intended and designed for people under the age of 21 years old)
- Art (Intended and designed for people under the age of 21 years old)
- Fashion (Intended and designed for people under the age of 21 years old)
- Music (Intended and designed for people under the age of 21 years old)
- Advertisements cannot appear in any media that has more than 25% under 18 years older readership
- Outdoor advertisements cannot be placed within 1,000 feet of any school or playground
- Cannot sponsor any athletic, musical or cultural events unless such events are designated as prohibiting patrons under the age of 18 years old

## Legal Parameters: Nicotine

---

### TALK ABOUT NICOTINE RESPONSIBLY:

- Ok to report on nicotine content
- Do not report nicotine content relative to another product
- It's for adults/smokers
- Affirm this is for adults where possible and appropriate Health effects
- Refer only to what FDA says
- Cite public health groups. Don't frame these as company views
- Do not represent the product as 'safe/without risk' to use
- Do not say 'smoke-free' or 'without secondhand smoke' or 'free' of any substance
- Avoid 'natural' as a descriptor of JUUL or any of its properties (like nicotine salts), with the exception of 'natural and artificial flavorings' - or any statements that may cause consumers to think JUUL is healthier than other products
- All ads need to have a California pop 65 warning

## Legal Parameters: Health & Safety Claims

---

### HEALTH AND SAFETY CLAIMS GUIDELINES:

- Cannot advertise as smoking-cessation device
- Cannot use claims or testimonials about quitting smoking or using e-cigarettes as a treatment for tobacco dependence/addiction
- Cannot claim the product does not expose users to carcinogens
- Cannot claim the product is better or safer than tobacco
- Cannot claim the product does not produce secondhand smoke

\*Where local regulatory restrictions exist, additional compliance is required

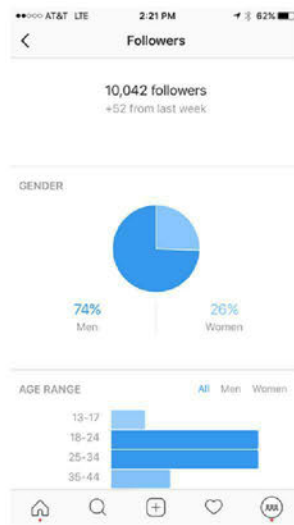
# Exhibit 23



# JUUL - Social Media Audience Breakout

June 21, 2017

## Instagram



# Exhibit 24

# JUUL LABS

Monthly Report

May 2018

# SUMMARY & KEY HIGHLIGHTS

---

May 2018

## ON OUR CHANNELS

Engagement metrics in May dropped amongst all channels. Despite slight dips in engagement, owned social channels continued to grow at a healthy rate with Instagram leading the way. Informational videos like the “How to Puff” and “Checking Battery” posts were among the top performing content across all social channels. As a result, we recommend generating more content in this format.

## KEY ISSUES

Youth Prevention messages accounted for a large majority of conversations targeted toward JUUL. Though the volume of messages related to Youth Prevention have decreased, we continue to monitor the conversation.

## IN THE NEWS

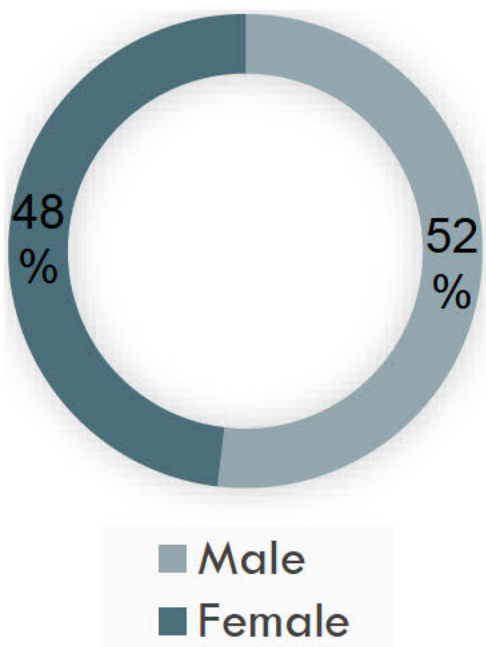
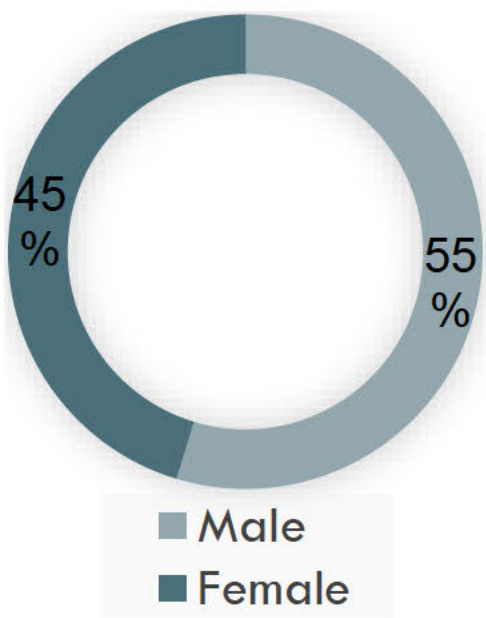
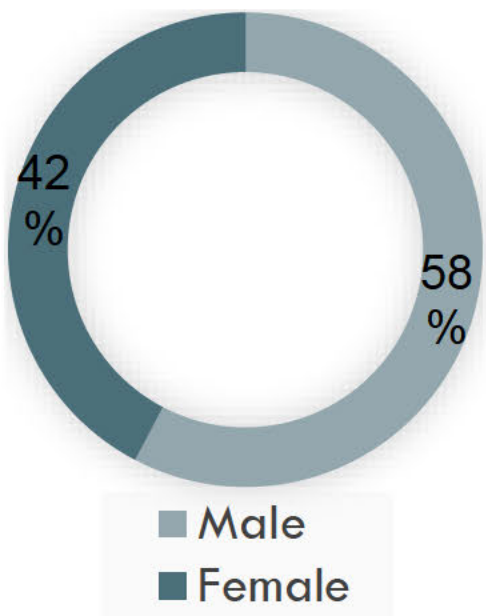
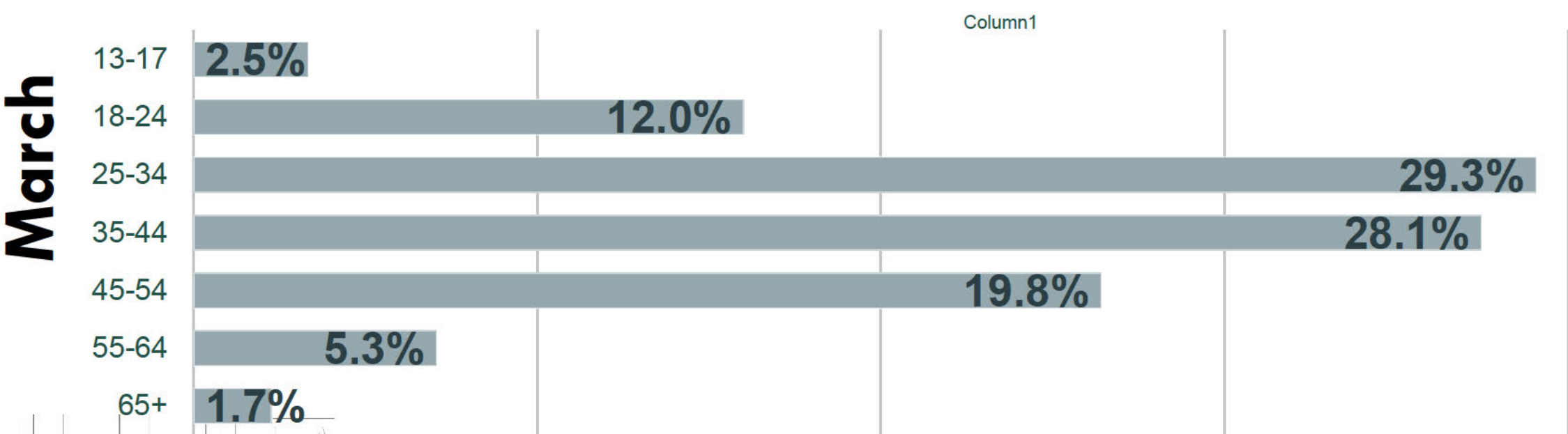
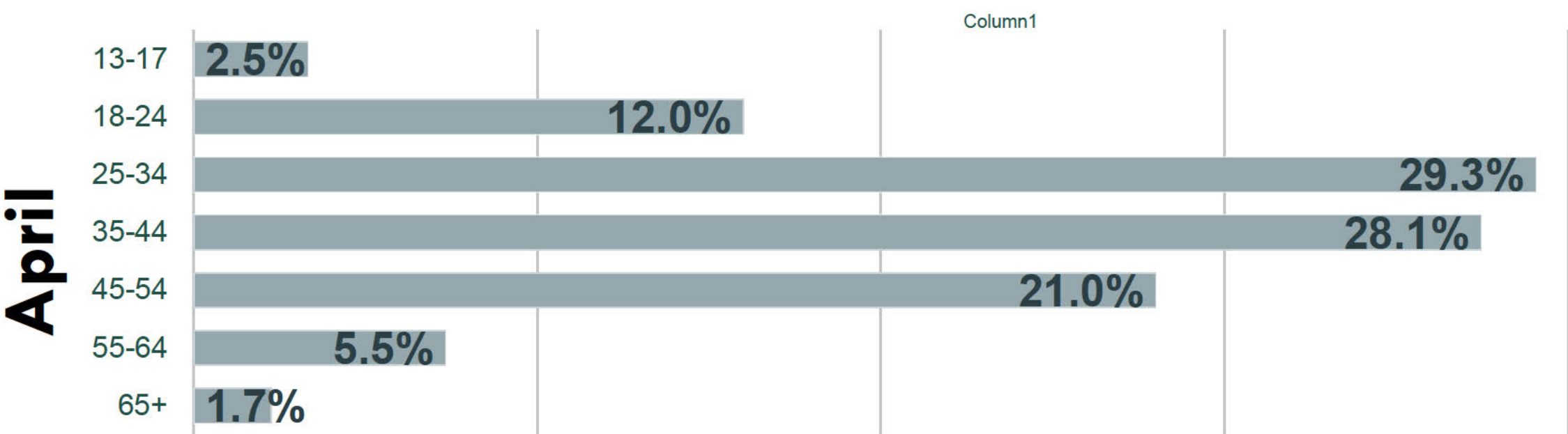
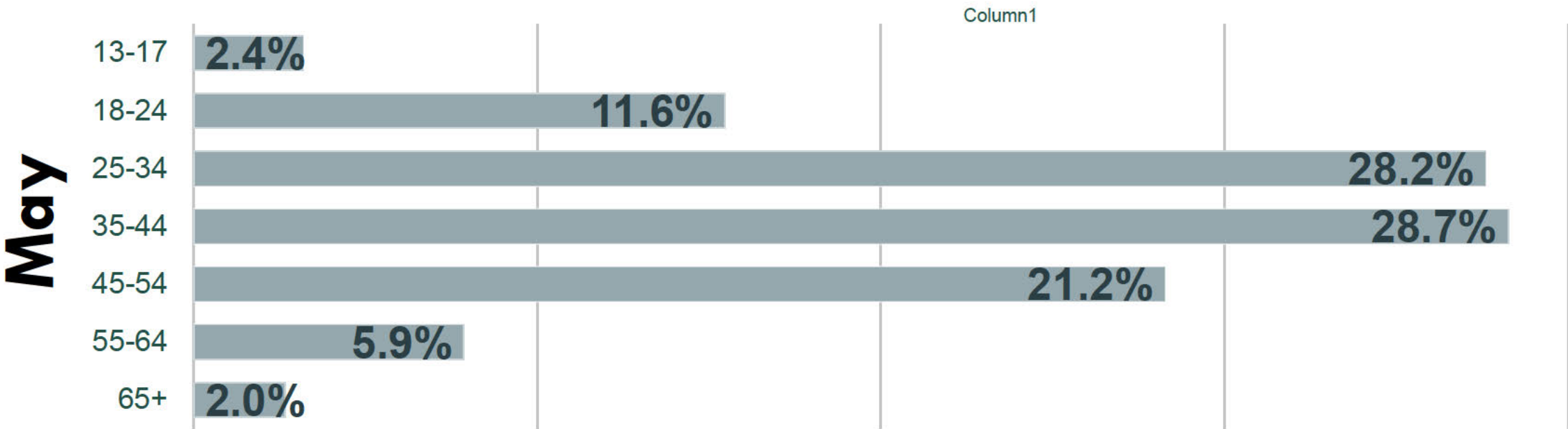
JUUL received a fair amount of mentions in the press throughout May, with a handful of articles related to teen use of JUUL and other vaping/tobacco products. Most notably, the New York Times published an article discussing the potential health risks of vaping.



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## AUDIENCE & DEMOGRAPHIC METRICS





SUMMARY

Since April, there has been a slight shift in the 18-24 demographic, which decreased from **12.0% to 11.6%**.

Previous reports did not account for the 13-17 demographic, so that group has been added and will be monitored month over month to track any changes. Since April, this demographic on Facebook has **decreased 0.1%**.

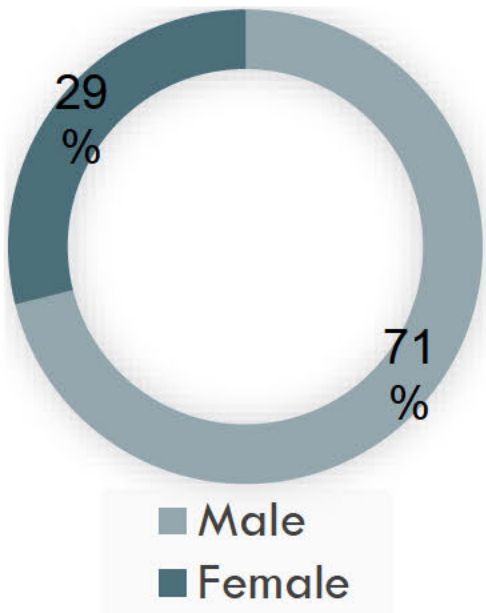
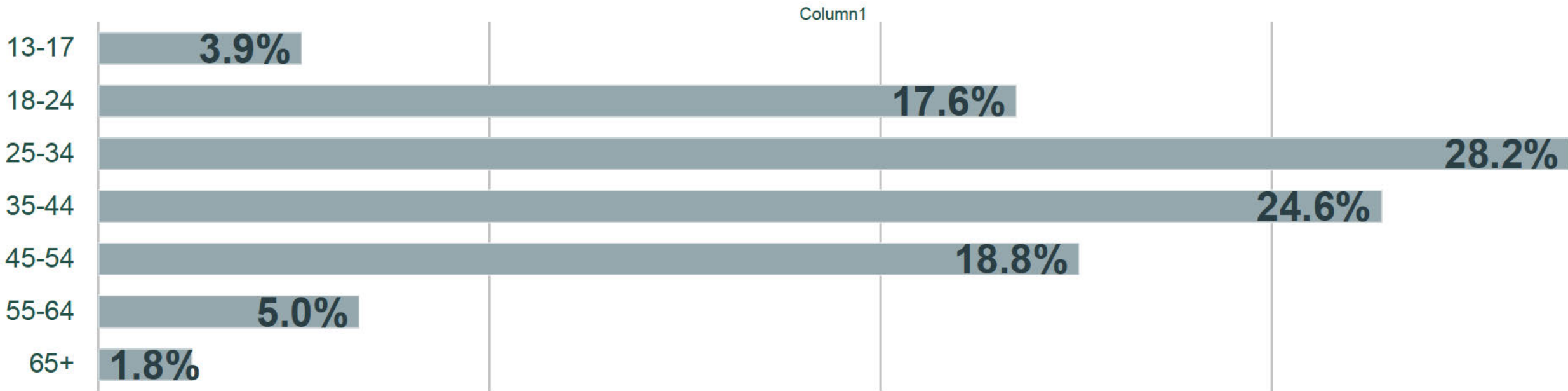
Additional data shows that since March, the majority of our Facebook audience is male and has been slowly increasing (**58% in May compared to 55% in April.**)



# DEMOGRAPHIC METRICS (Twitter)

May 2018

May



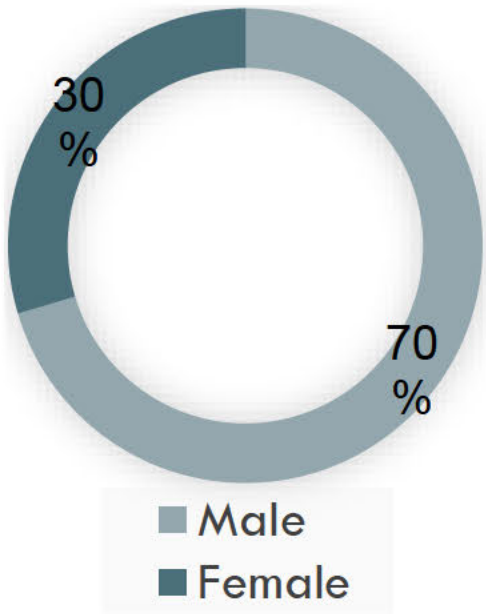
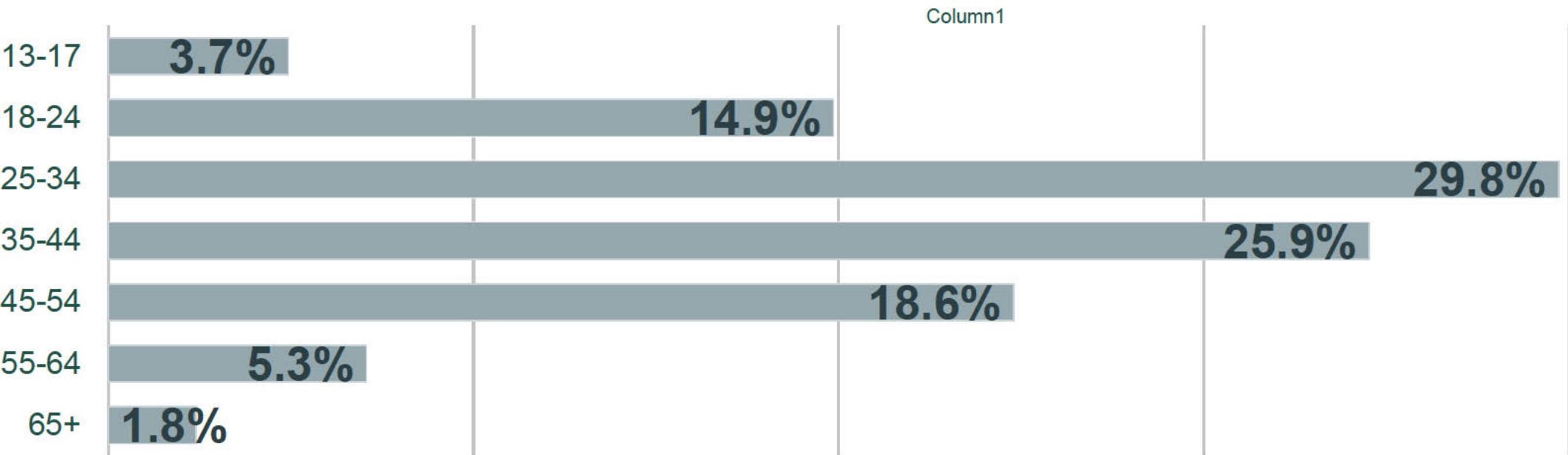
## SUMMARY

From April to May, there was an increase in users associated in both the 13-17 & 18-24 demographic groups.

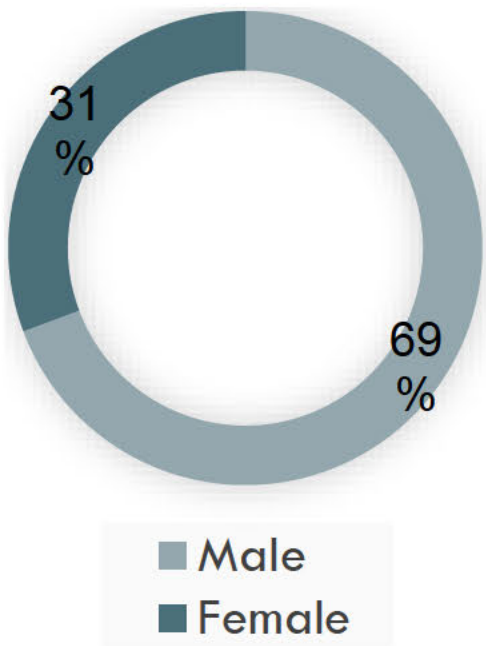
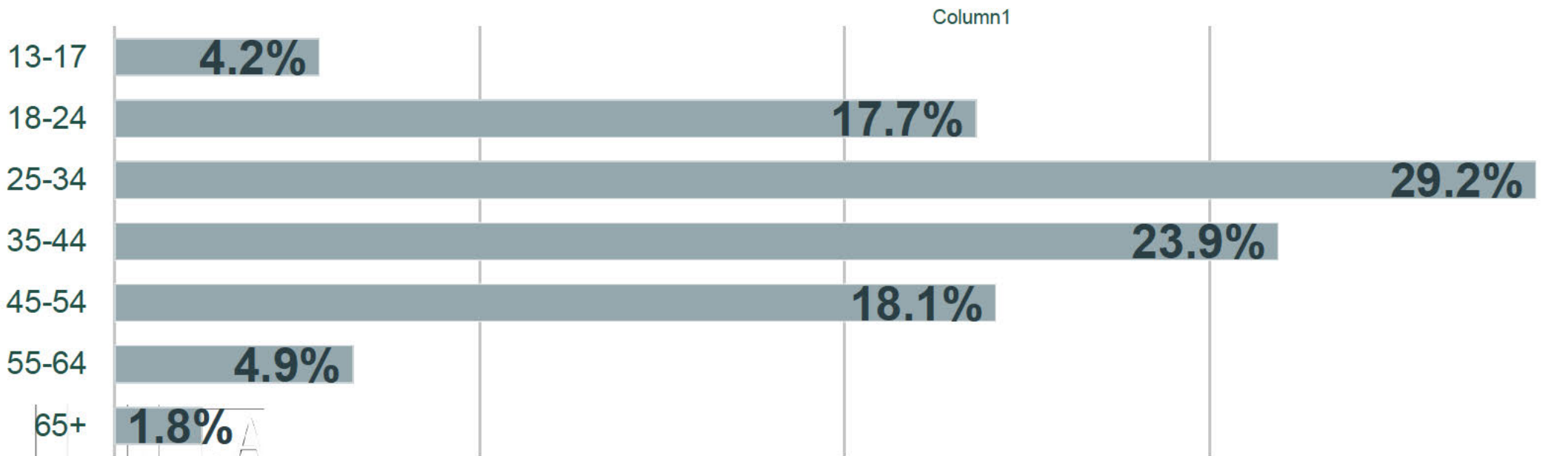
Twitter is the most popular channel in terms of post volume related to Youth Prevention issues, so it will be important to monitor the changes amongst these younger age groups as JUUL Facts and additional Youth Prevention materials roll out.

Aside from changes to the 13-17 & 18-24 groups, all others have remained steady over the past 3 months.

April



March

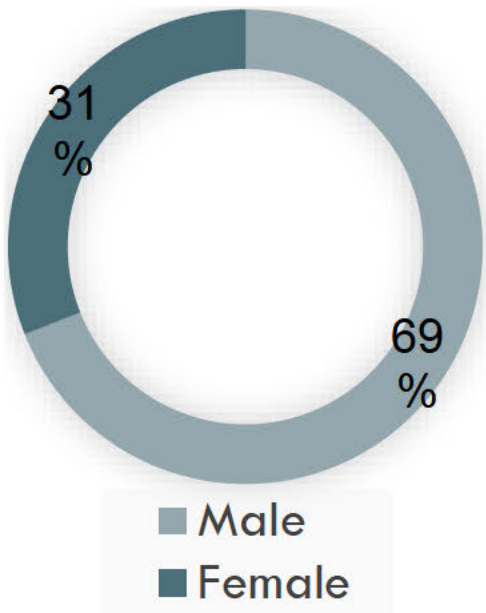
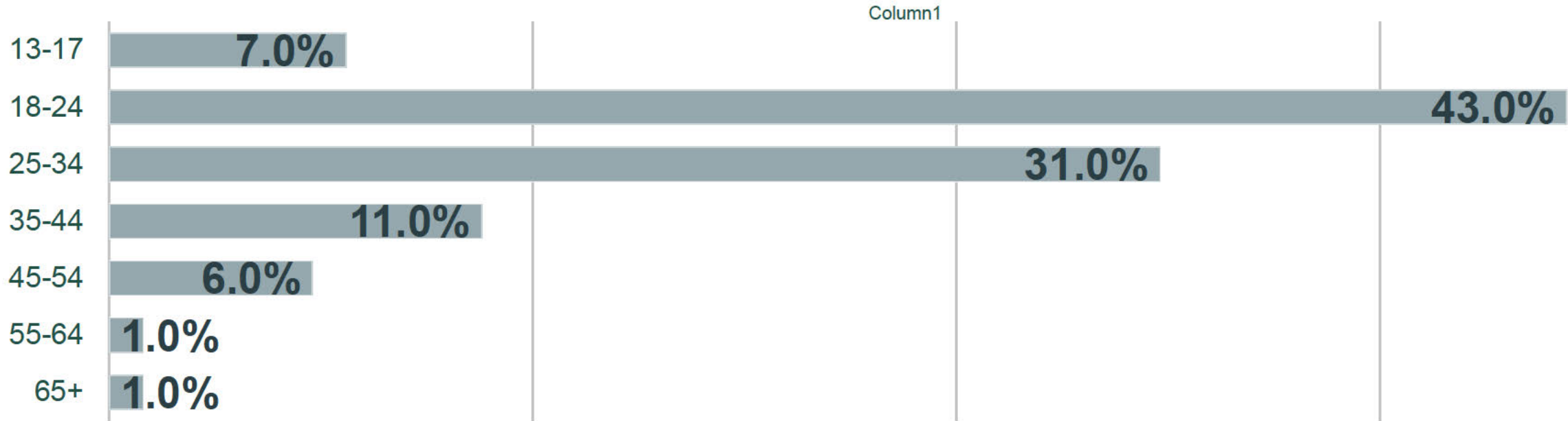




# DEMOGRAPHIC METRICS (Instagram)

May 2018

May

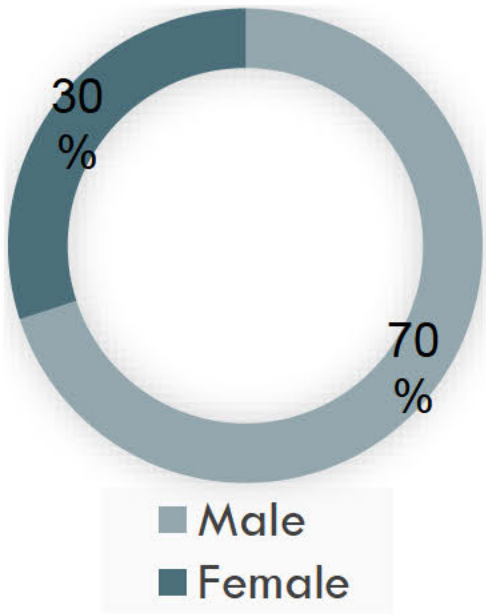
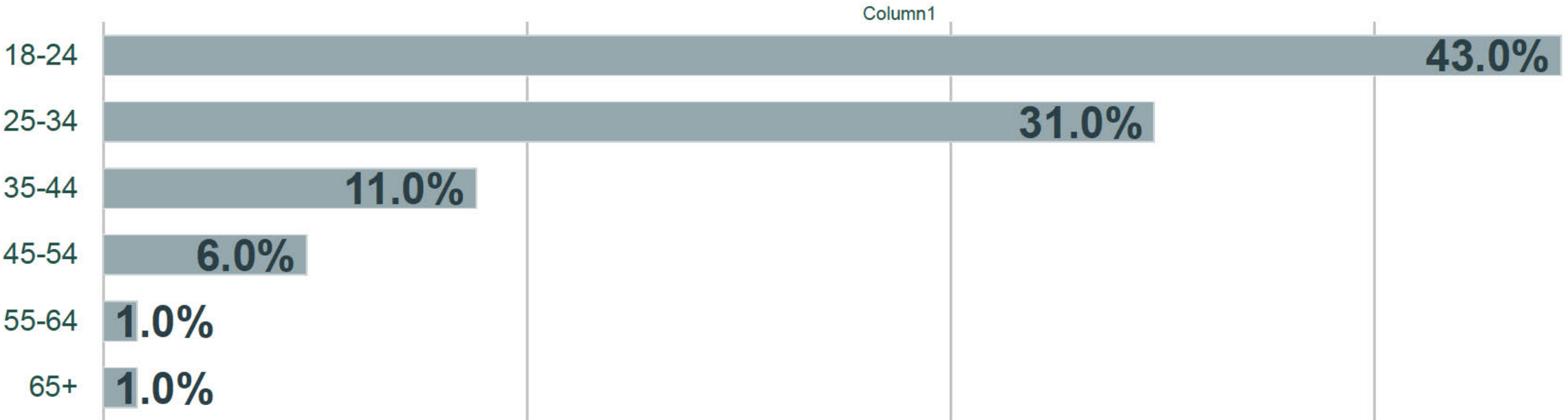


## SUMMARY

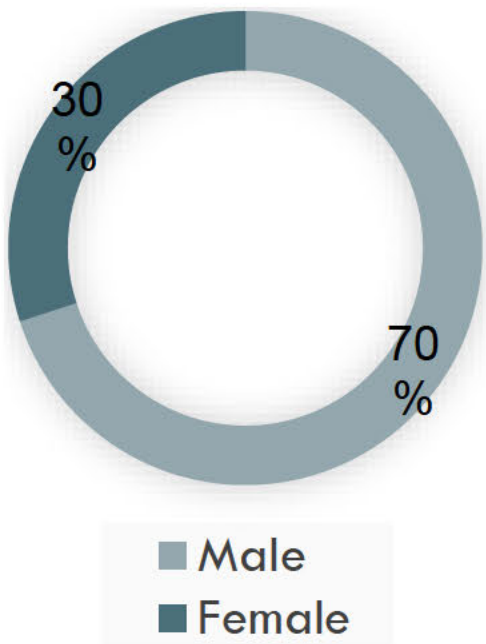
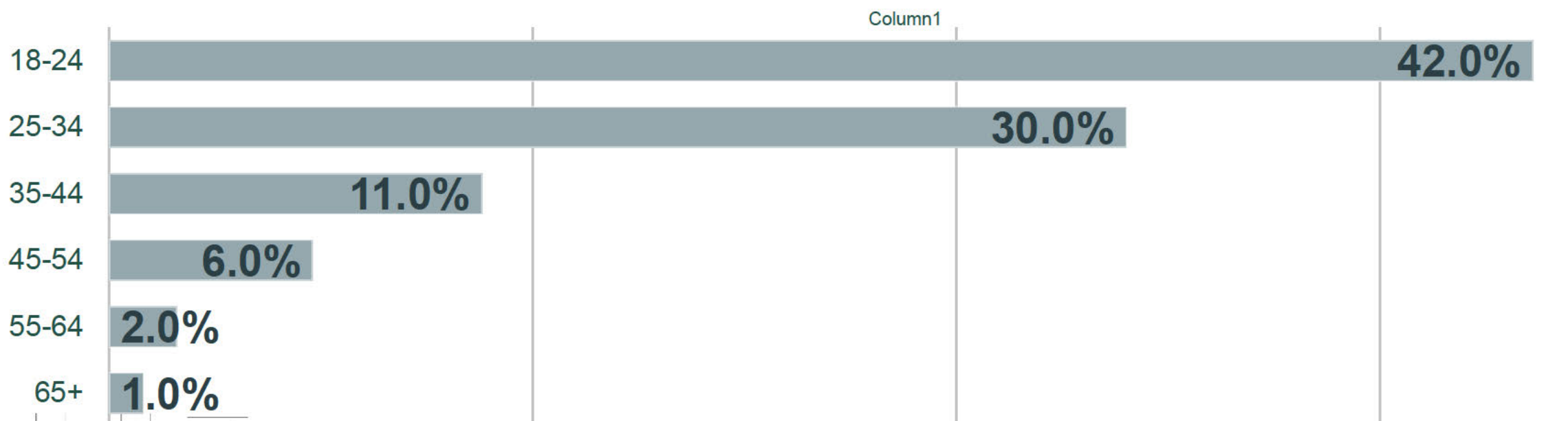
Since April there has not been any significant change amongst audience demographics on Instagram.

Most significantly, the 13-17 age group accounts for 7.0% of the audience on Instagram. It will be important to monitor this audience shift over time as we continue to focus on campaigns including JUUL Facts and other informative and Youth Prevention efforts.

April

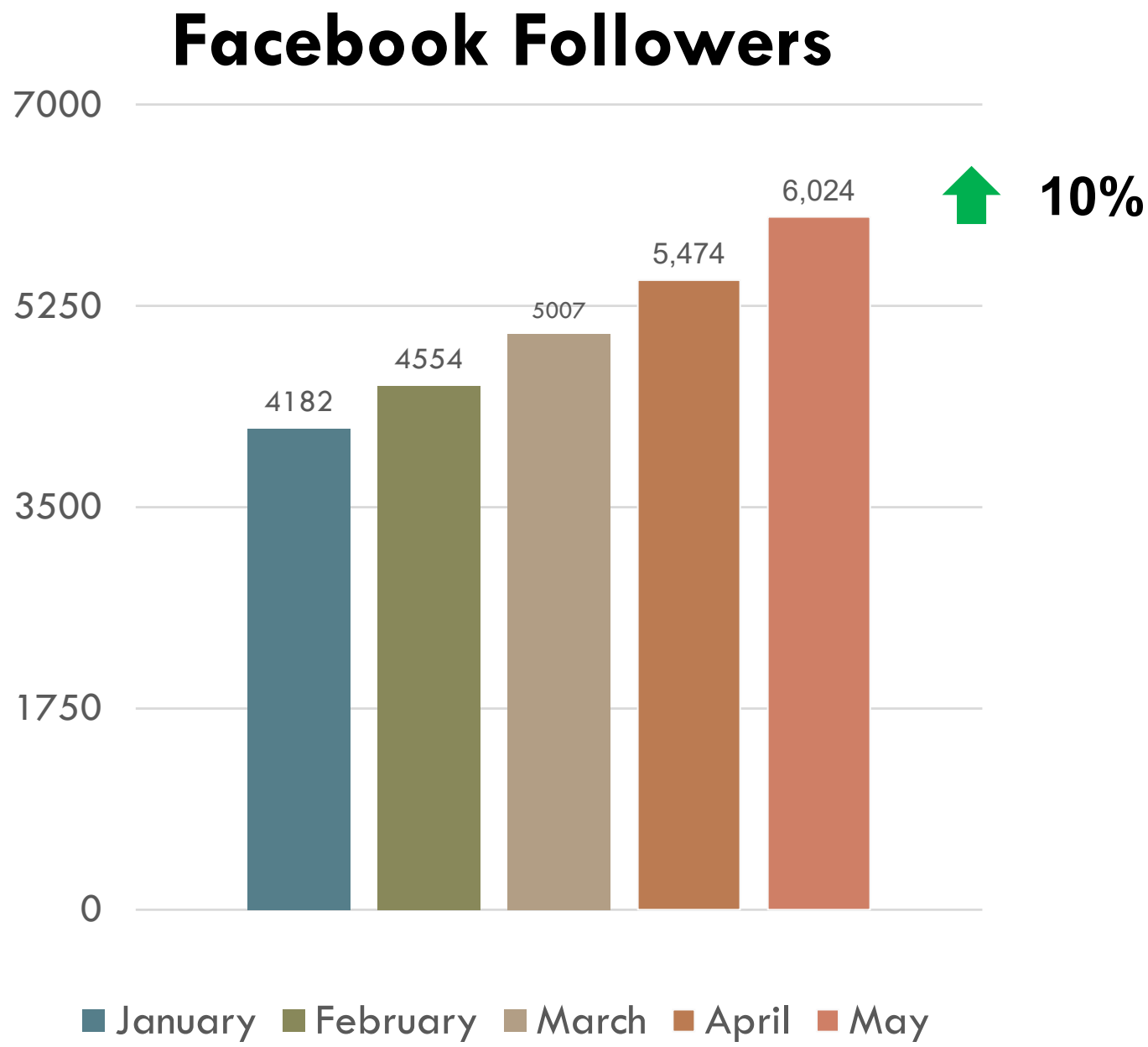


March

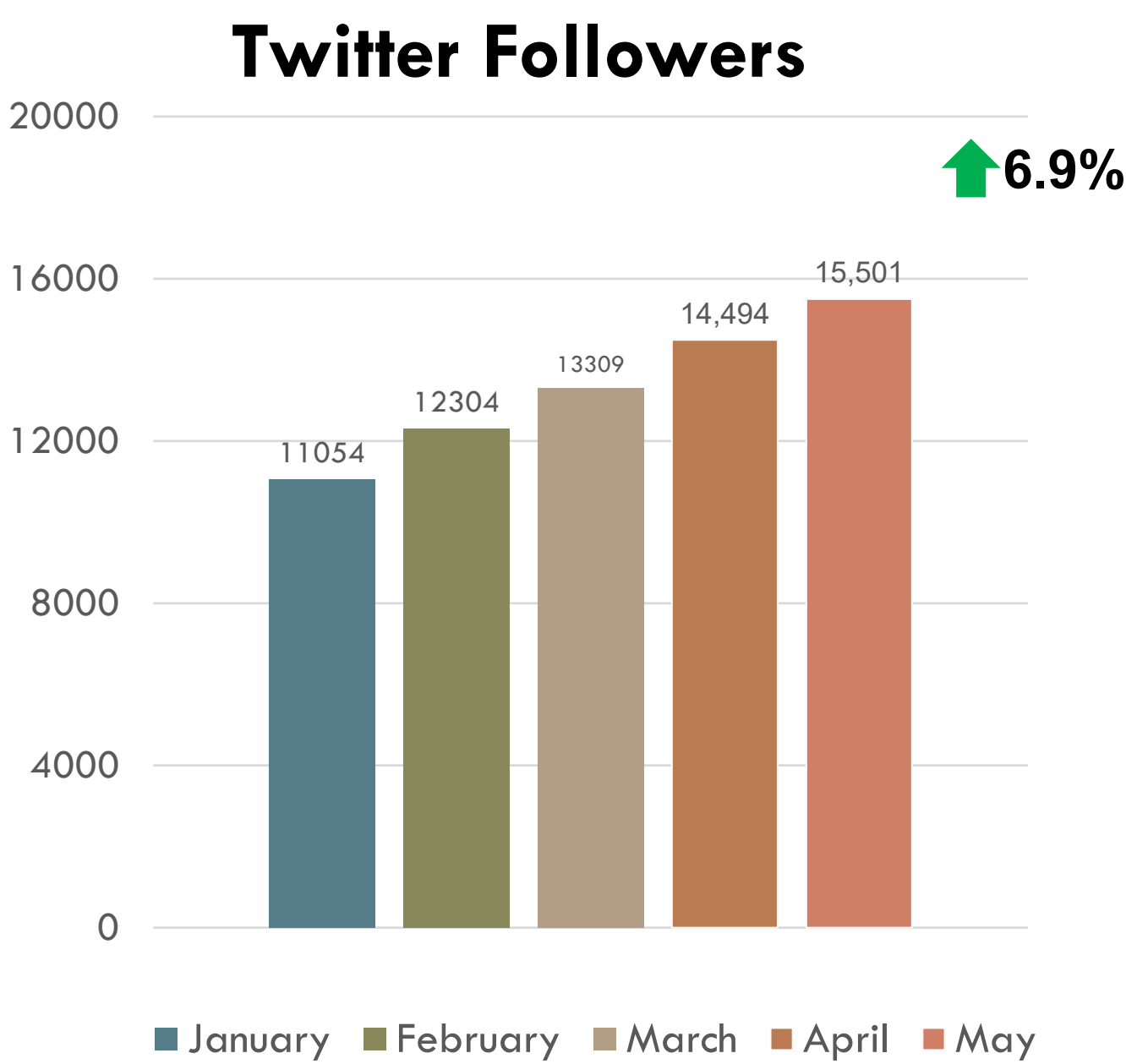


\* Note: Due to limitations with Instagram’s reporting capabilities, we cannot look at historic data via current IG analytics platform. Will continue to report on the 13-17 demographic moving forward.

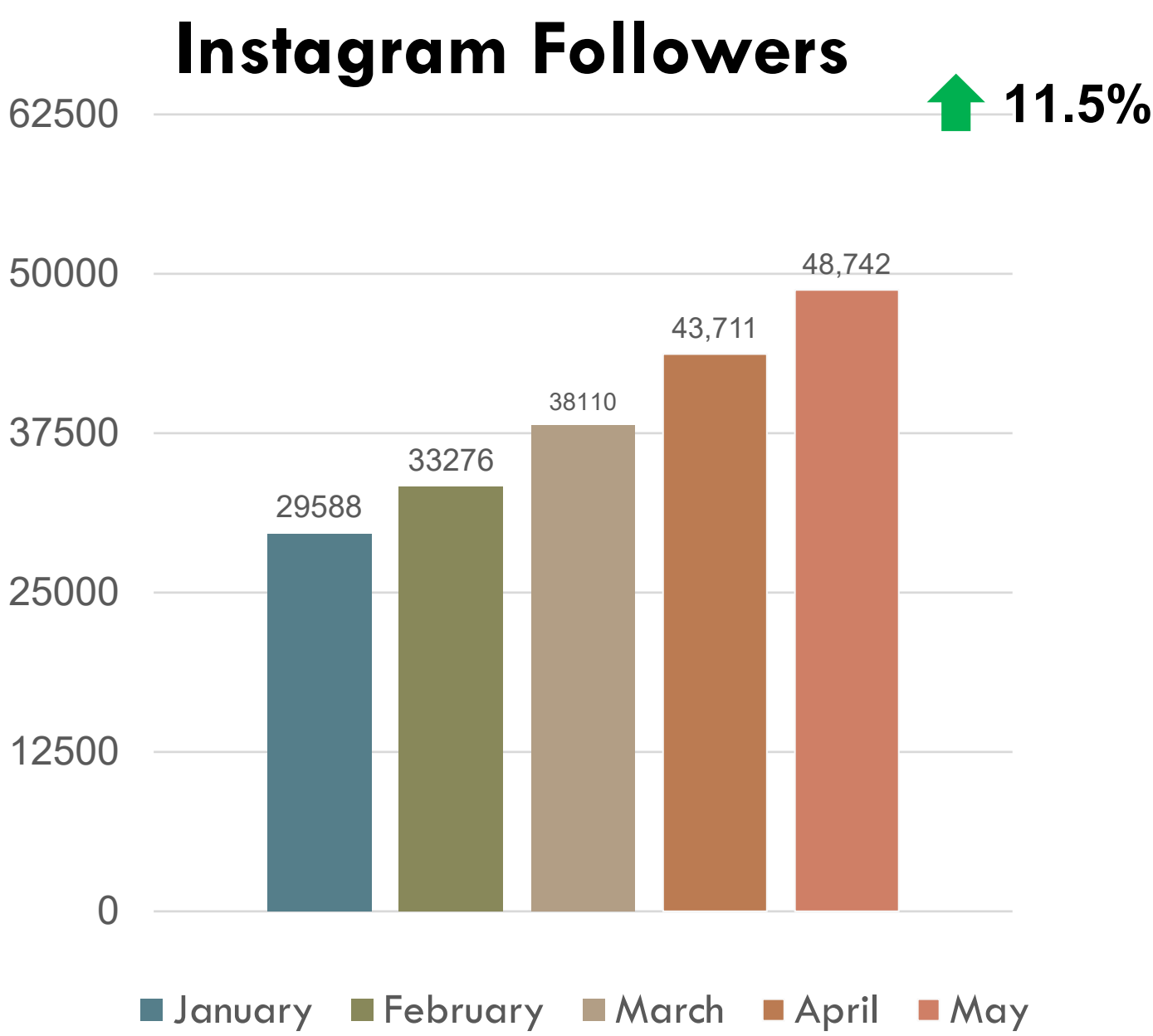




**MAY**  
**Total Fans: 6,024**  
**Page Net Likes: 550**



**MAY**  
**Total Fans: 15,501**  
**Page Net Likes: 1,007**



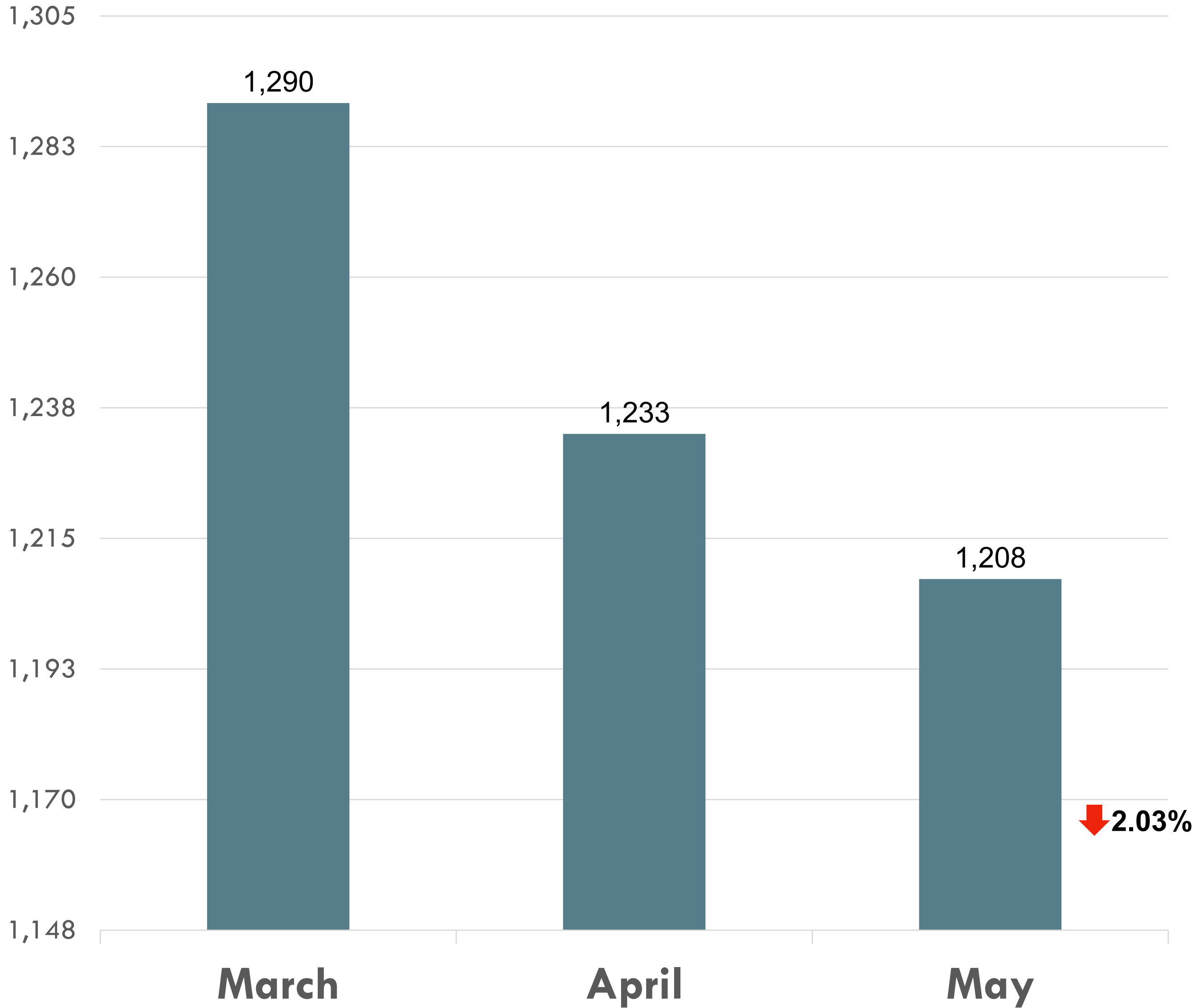
**MAY**  
**Total Fans: 48,742**  
**Page Net Likes: 5,031**



FACEBOOK METRICS

# ENGAGEMENT METRICS: Facebook

May 2018



**May**  
POST  
VOLUME **21**

**APRIL**  
POST  
VOLUME **16**

**MARCH**  
POST  
VOLUME **19**

## SUMMARY

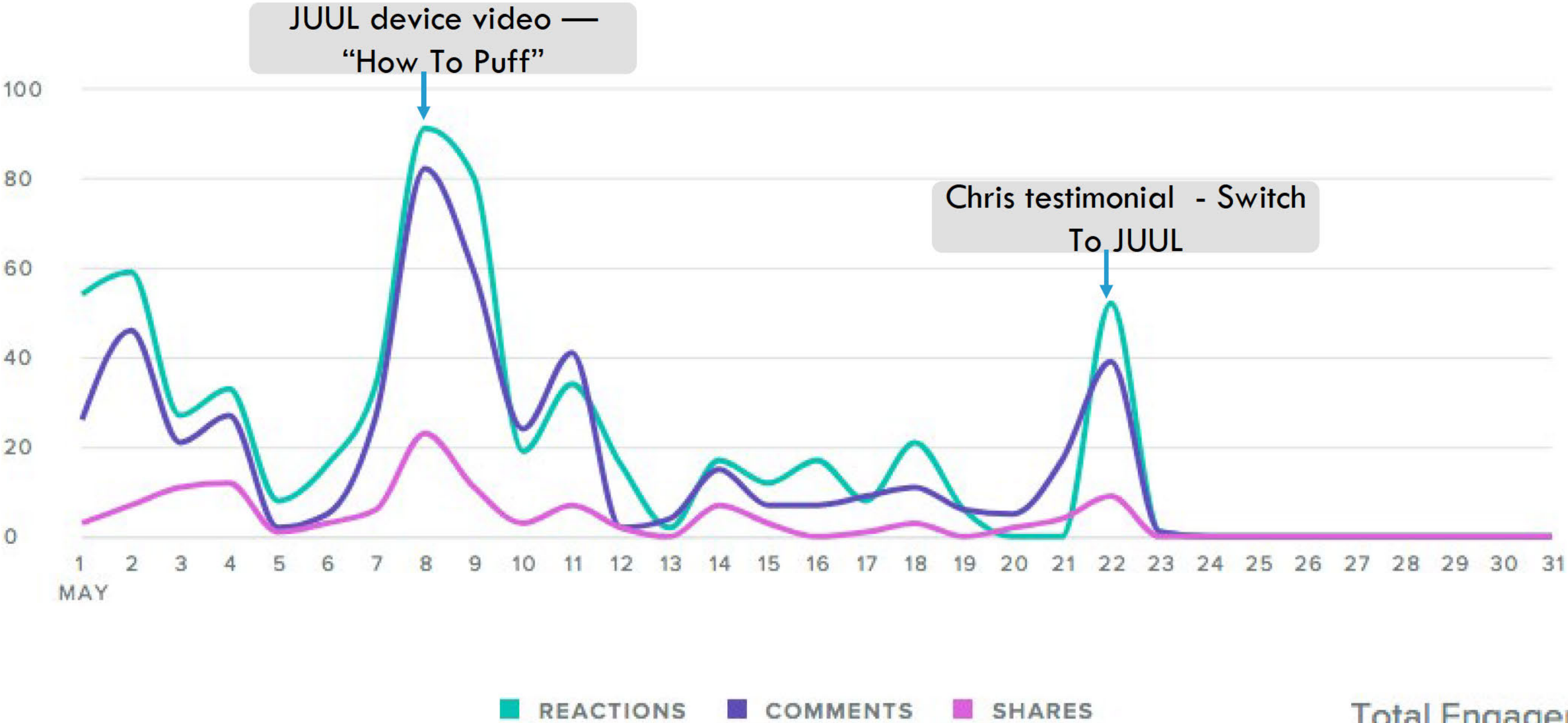
Since April, engagements on Facebook **decreased by 2.03%** — 1,208 in May vs 1,233 in April.

Despite this slight decrease, engagements are still consistent with previous engagement numbers from the past 3 months.

Video content including informational tips and tricks like “How to Puff” and “Checking Battery” continues to outperform other content on the channel.



AUDIENCE ENGAGEMENT, BY DAY



Action Metrics

	Totals
Reactions	607
Comments	483
Shares	118
Total Engagements	1,208

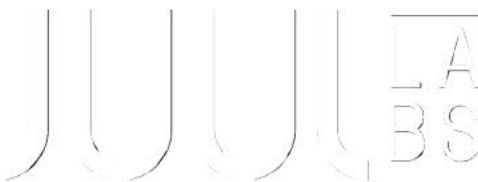
Total Engagements decreased by **-7.7%** since previous month

Total Engagements increased by

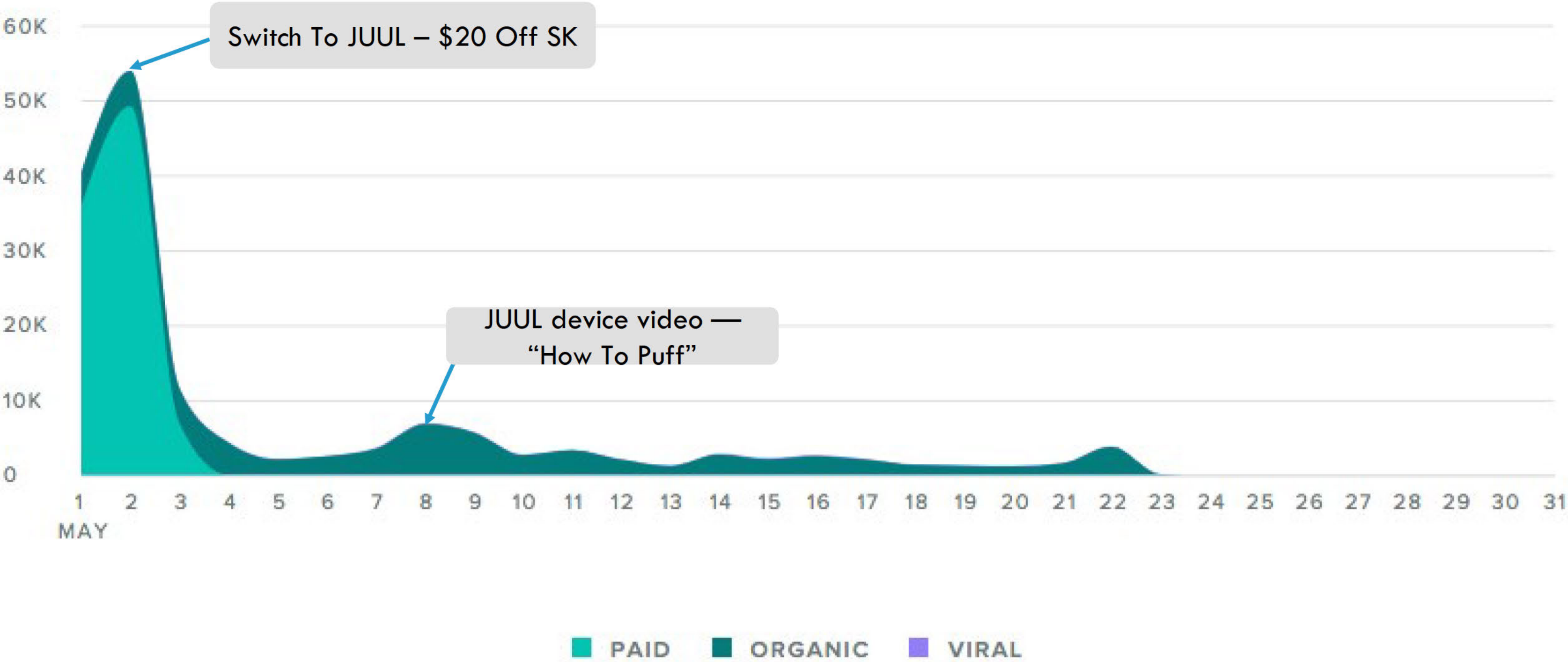
**+5.3%**  
in April from March

Total Engagements increased by

**+74.3%**  
in March from February







Impressions Metrics	Totals
Organic Impressions	66k
Viral Impressions	1,961
Paid Impressions	91.9k
Total Impressions	159.8k
Average Daily Users Reached	2,939

Total Impressions decreased by

**-21.6%**

since previous month

Total Impressions increased by

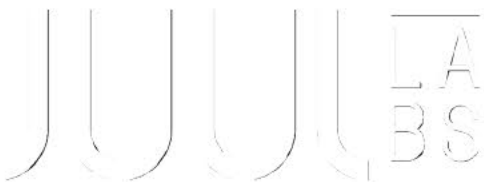
**-159.2%**

in April from March

Total Impressions increased by

**-101.1%**

in March from February





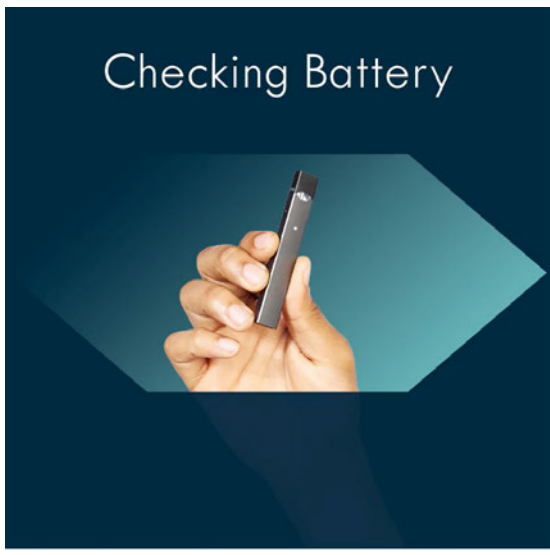
# FACEBOOK POST PERFORMANCE

May 2018

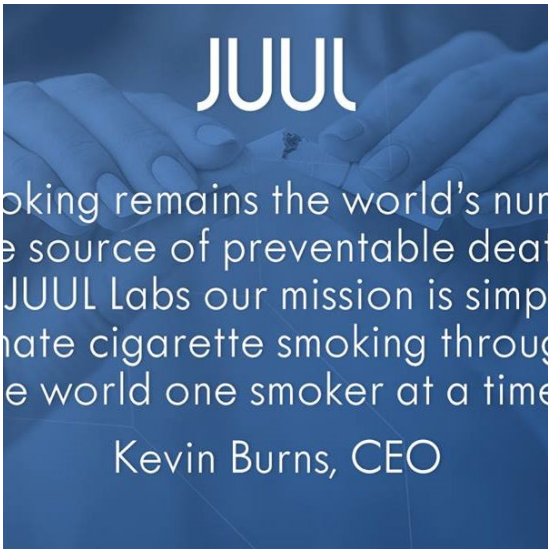
## May Top Performing Posts



Reactions – 209  
Comments – 31  
Reach – 5,882



Reactions – 71  
Comments – 9  
Reach – 2,685



Reactions – 146  
Comments – 18  
Reach – 2,967

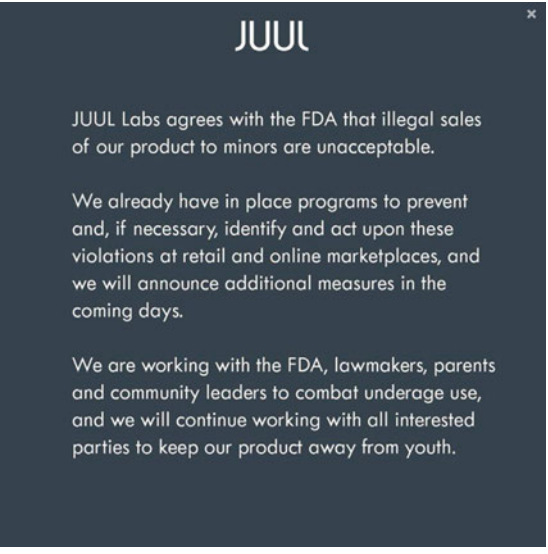
## APRIL Top Performing Posts



Reactions – 59  
Comments – 33  
Reach – 2,942



Reactions – 42  
Comments – 28  
Reach – 1,702



Reactions – 87  
Comments – 35  
Reach – 3,259

## Least Performing Posts



Reactions – 11  
Comments – 3  
Reach – 858



Reactions – 15  
Comments – 1  
Reach – 831



Reactions – 16  
Comments – 0  
Reach – 1,533

## Least Performing Posts



Reactions – 23  
Comments – 5  
Reach – 1,554



Reactions – 10  
Comments – 4  
Reach – 763

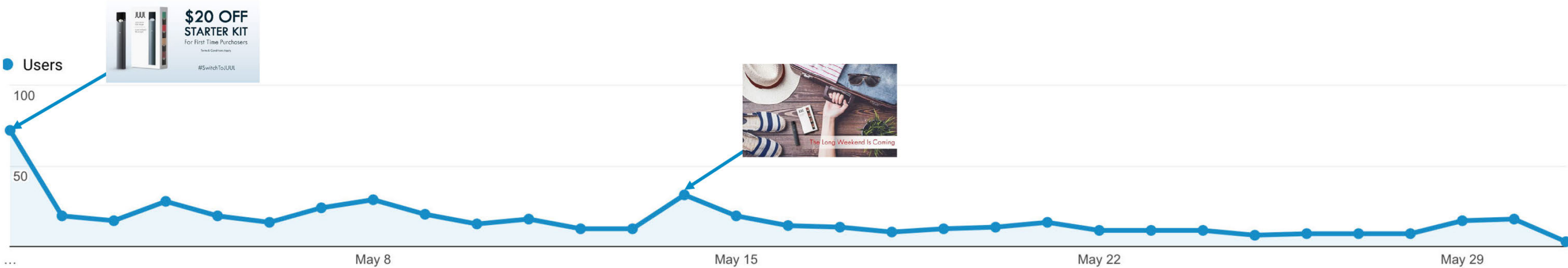


Reactions – 26  
Comments – 11  
Reach – 1,610



# TRAFFIC DRIVEN TO E-COMMERCE (Facebook)

May 2018



May:

	Users	New Users	Sessions	Bounce Rate	Pages/Session	Avg. Session Duration	Ecommerce Conversion Rate	Transactions	Revenue
	459 % of Total: 0.03% (1,485,268)	341 % of Total: 0.02% (1,398,102)	568 % of Total: 0.02% (2,339,690)	46.83% Avg for View: 43.64% (7.31%)	3.43 Avg for View: 3.80 (-11.81%)	00:01:50 Avg for View: 00:02:16 (-19.20%)	2.46% Avg for View: 3.03% (-18.68%)	14 %of Total: 0.02% (70,919)	\$730.18 % of Total: 0.02% (\$2,927,271.49)
Facebook	459 (100.00%)	341 (100.00%)	568 (100.00%)	46.83%	3.43	00:01:50	2.46%	14 (100.00%)	\$730.18 (100.00%)

April:

	Users	New Users	Sessions	Bounce Rate	Pages/Session	Avg. Session Duration	Ecommerce Conversion Rate	Transactions	Revenue
	508 % of Total: 0.03% (1,599,790)	339 % of Total: 0.02% (1,378,084)	656 % of Total: 0.03% (2,384,806)	42.68% Avg for View: 43.70% (-2.34%)	4.12 Avg for View: 4.04 (2.00%)	00:01:59 Avg for View: 00:02:23 (-16.36%)	4.27% Avg for View: 3.70% (15.42%)	28 %of Total: 0.03% (88,194)	\$1,084.54 % of Total: 0.04% (\$3,057,614.32)
Facebook	508 (100.00%)	339 (100.00%)	656 (100.00%)	42.68%	4.12	00:01:59	4.27%	28 (100.00%)	\$1,084.54 (100.00%)



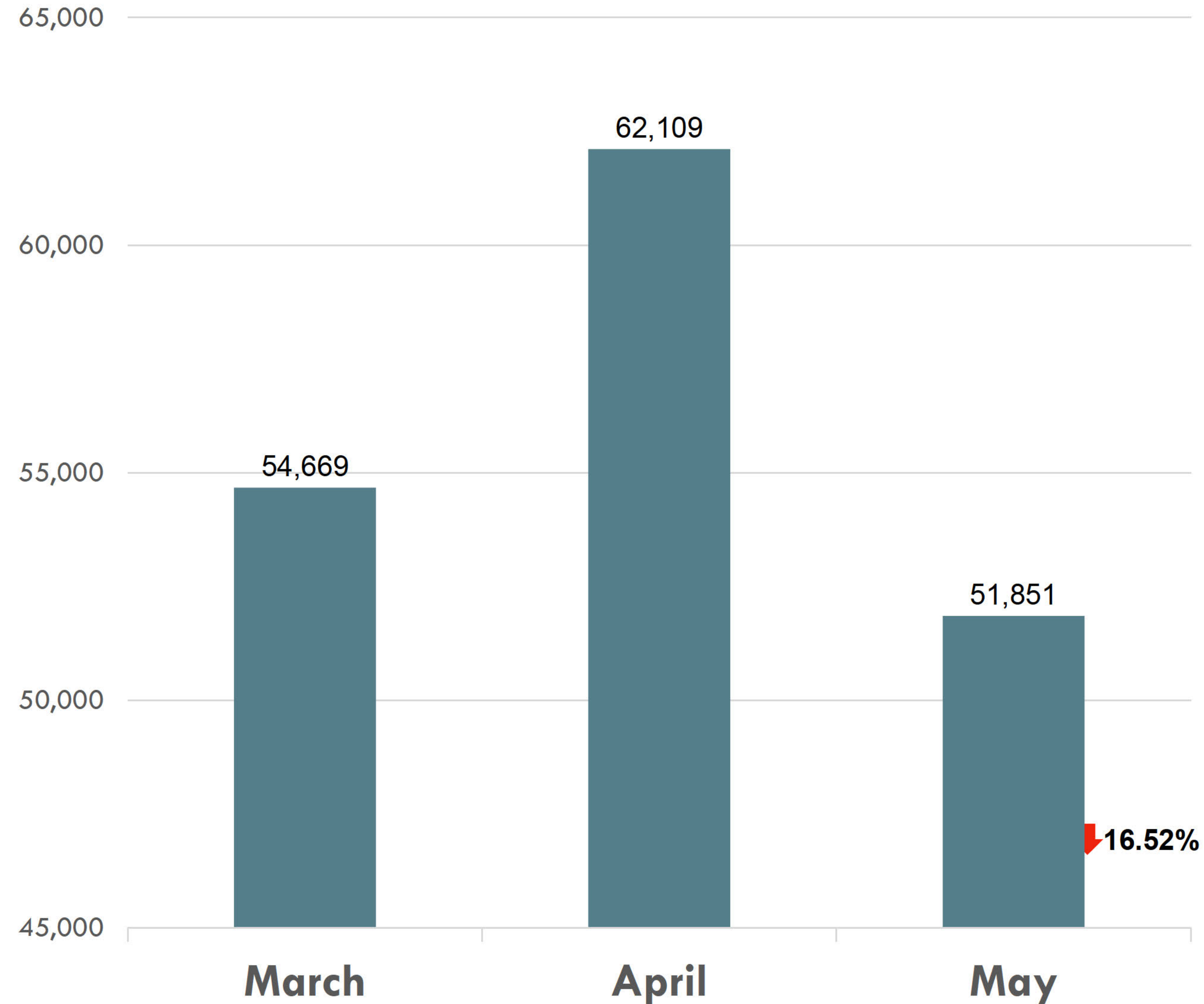
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## TWITTER METRICS



# ENGAGEMENT METRICS: Twitter

May 2018



May  
POST  
VOLUME

89

APRIL  
POST  
VOLUME

70

MARCH  
POST  
VOLUME

81

## SUMMARY

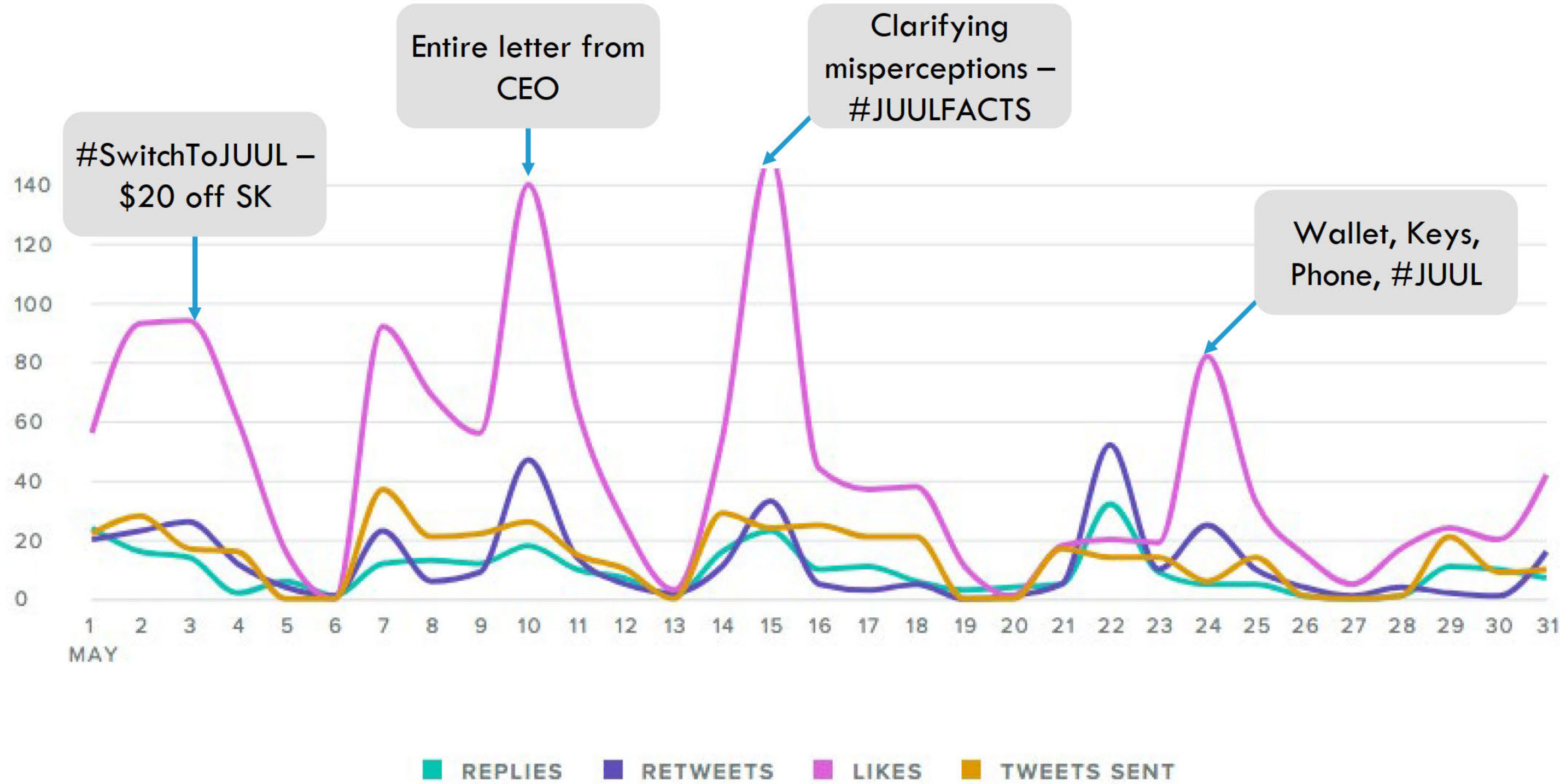
Despite a **27.14% increase** in post volume during May, engagement metrics fell 16.52% — **51,851 in May vs 62,109 in April.**

Engagement amounts have not been totally consistent since February, with a large decrease in March and an increase in April.

In April, JUUL released a letter from the CEO which saw a few related social posts that gained a high amount of engagements compared to normal content.

The drop in engagements in May could be due to an increase in corporate related posts and a decrease in product focused content.



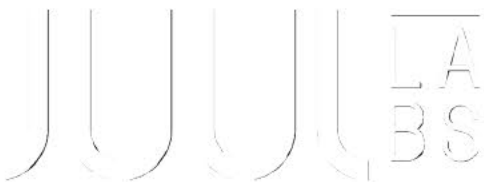


Engagement Metrics	Totals
Total Engagements	51.9k
Replies	295
Retweets	380
Retweets with Comments	108
Likes	1,399

The number of engagements decreased by  
**-24.1%**  
since previous month

The number of engagements increased by  
**-22.8%**  
in April from March

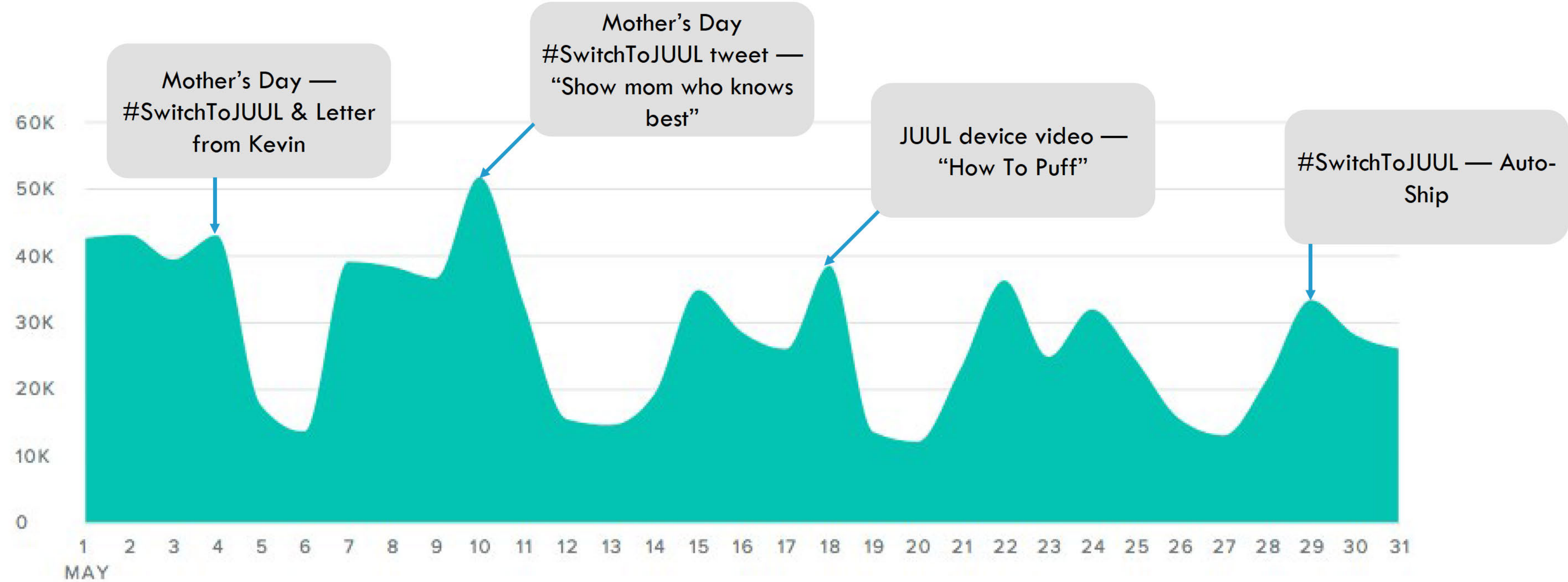
The number of engagements decreased by  
**-58.8%**  
in March from February





May 2018

# IMPRESSIONS METRICS: Twitter



## Impressions Metrics

Average Organic Impressions per Day

## Totals

28.3k

Total Organic Impressions

877.9k

Organic Impressions decreased by

-7.8%

since previous month

Organic Impressions increased by

-18.2%

in April from March

Organic Impressions decreased by

-19.9%

in March from February



# TWITTER POST PERFORMANCE

May 2018

## MAY

### Top Performing Posts



Responses – 43  
Clicks – 1,061  
Retweets – 40  
Impressions – 30,523  
Engagement Rate – 3.5%

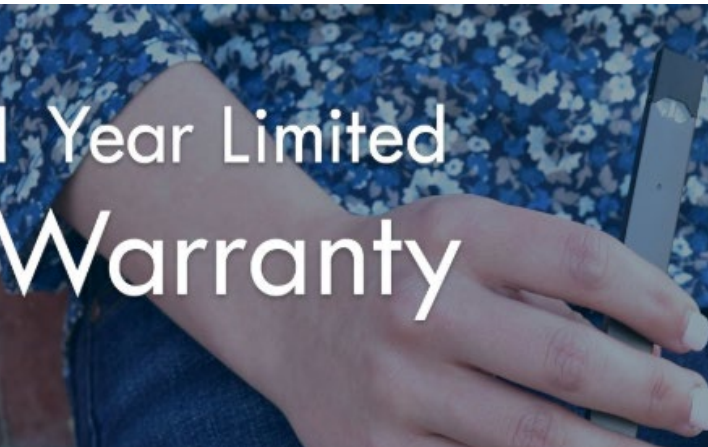


Responses – 34  
Clicks – 1,525  
Retweets – 28  
Impressions – 19,754  
Engagement Rate – 7.7%

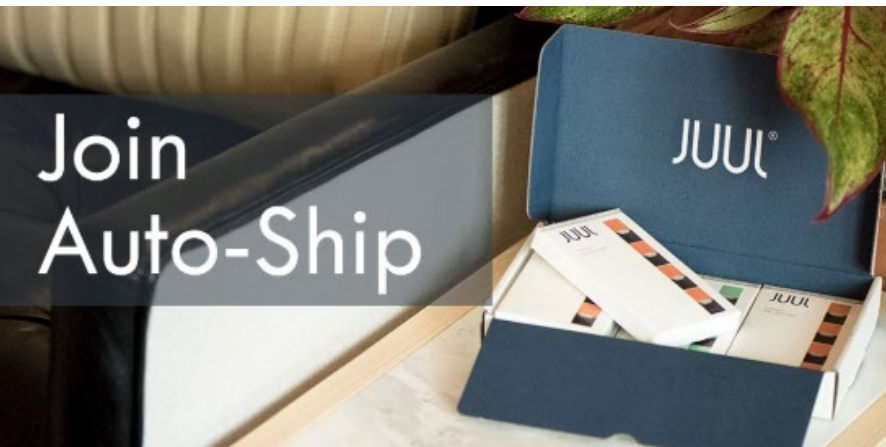


Responses – 15  
Clicks – 1,136  
Retweets – 10  
Impressions – 11,825  
Engagement Rate – 9.6%

### Least Performing Posts



Responses – 1  
Clicks – 233  
Retweets - 0  
Impressions – 6,303  
Engagement Rate – 3.7%



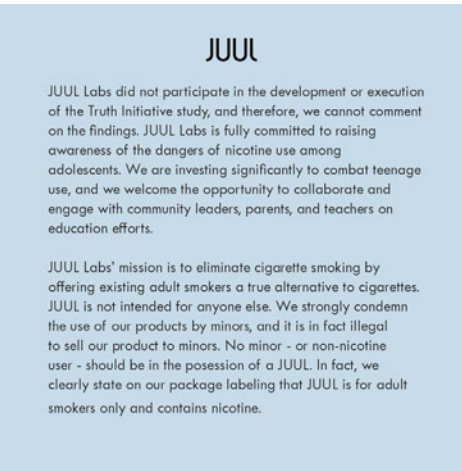
Responses – 1  
Clicks – 159  
Retweets – 2  
Impressions – 6,731  
Engagement Rate – 2%



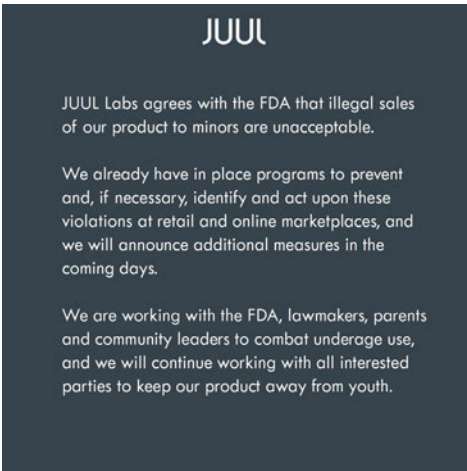
Responses – 1  
Clicks – 161  
Retweets – 2  
Impressions – 7,488  
Engagement Rate – 2.4%

## APRIL

### Top Performing Posts



Responses – 18  
Clicks – 850  
Retweets – 49  
Impressions – 26,231  
Engagement Rate – 13.56%



Responses – 7  
Clicks – 797  
Retweets – 10  
Impressions – 18,795  
Engagement Rate – 22%



Responses – 21  
Clicks – 1,768  
Retweets – 8  
Impressions – 17,848  
Engagement Rate – 13.3%

### Least Performing Posts



Responses – 4  
Clicks – 259  
Retweets – 3  
Impressions – 11,504  
Engagement Rate – 11.1%



Responses – 2  
Clicks – 135  
Retweets – 2  
Impressions – 11,368  
Engagement Rate – 4.7%

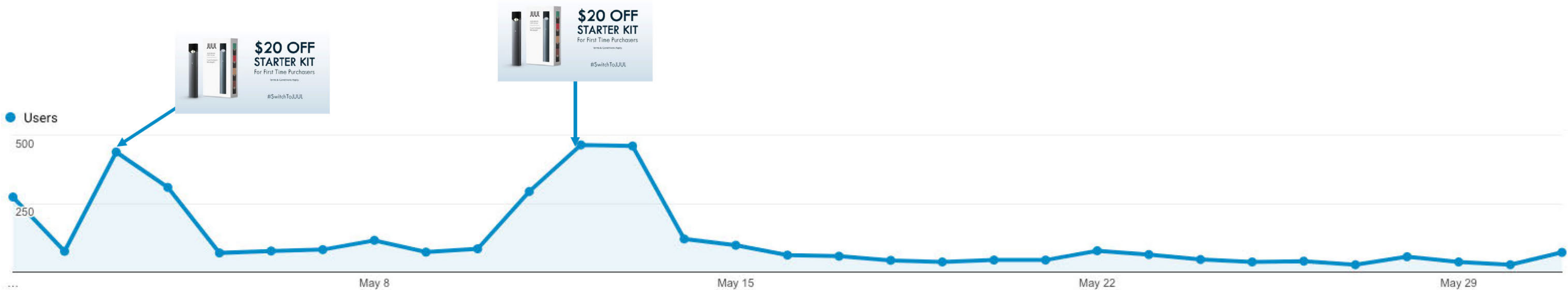


Responses – 3  
Clicks – 173  
Retweets – 3  
Impressions – 11,338  
Engagement Rate – 4.7%



# TRAFFIC DRIVEN TO E-COMMERCE (Twitter)

May 2018



May:

	Users	New Users	Sessions	Bounce Rate	Pages/Session	Avg. Session Duration	Ecommerce Conversion Rate	Transactions	Revenue
	3,395 % of Total: 0.23% (1,485,268)	2,685 % of Total: 0.19% (1,398,102)	4,252 % of Total: 0.18% (2,339,690)	42.90% Avg for View: 43.64% (-1.70%)	3.64 Avg for View: 3.89 (-6.36%)	00:02:02 Avg for View: 00:02:16 (-10.12%)	2.28% Avg for View: 3.03% (-24.74%)	97 %of Total: 0.14% (70,919)	\$4,620.33 % of Total: 0.08% (\$3,0578,614.32)
Twitter	3,395 (100.00%)	2,685 (100.00%)	4,252 (100.00%)	42.90%	3.64	00:02:02	2.28%	97 (100.00%)	\$4,620.33 (100.00%)

April:

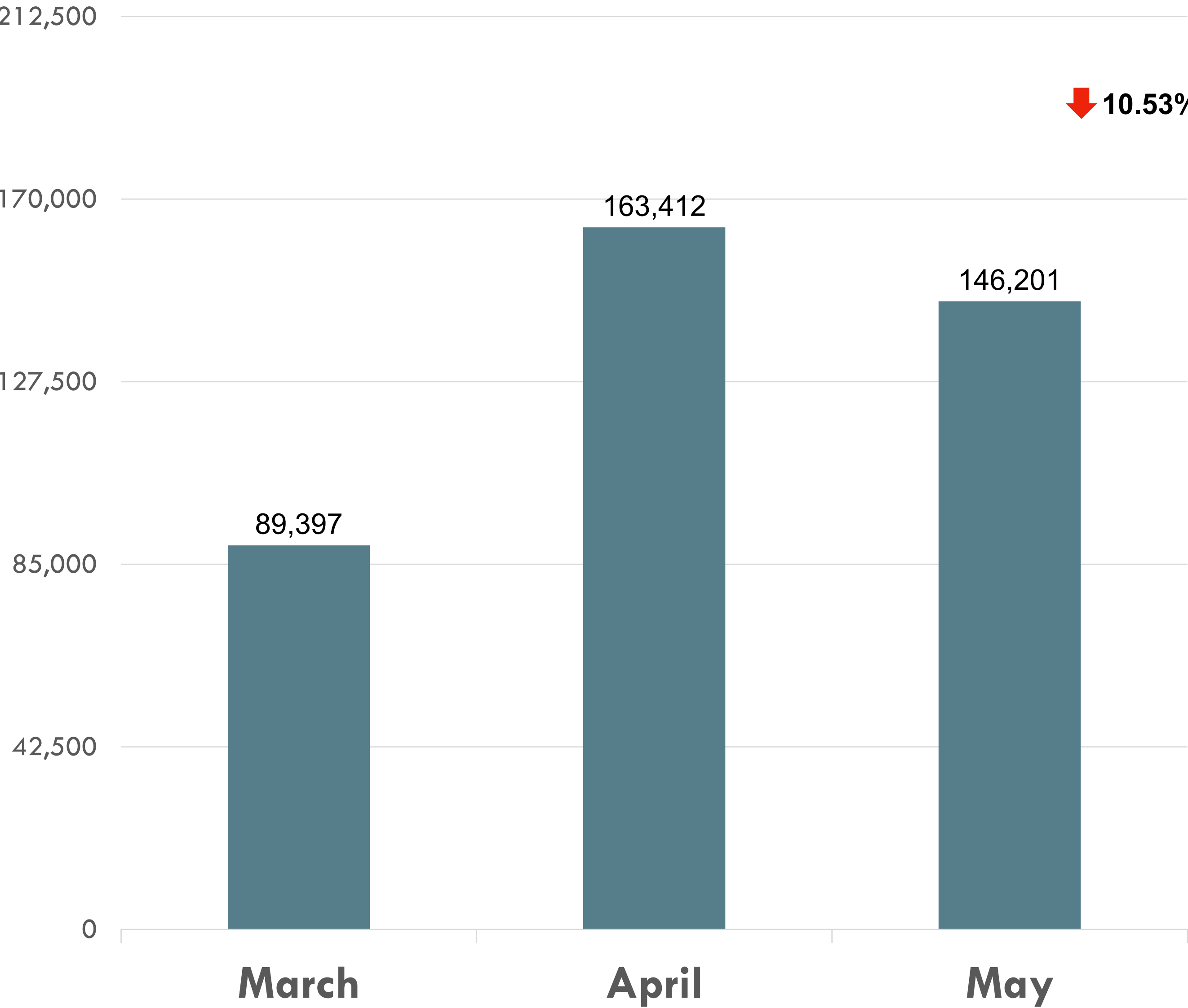
	Users	New Users	Sessions	Bounce Rate	Pages/Session	Avg. Session Duration	Ecommerce Conversion Rate	Transactions	Revenue
	2,194 % of Total: 0.14% (1,599,790)	1,364 % of Total: 0.10% (1,378,084)	2,914 % of Total: 0.12% (2,384,806)	42.45% Avg for View: 43.70% (-2.87%)	3.73 Avg for View: 4.04 (-7.88%)	00:02:16 Avg for View: 00:02:23 (-4.52%)	2.40% Avg for View: 3.70% (-35.04%)	70 %of Total: 0.08% (88,194)	\$2,529.35 % of Total: 0.08% (\$3,0578,614.32)
Twitter	2,194 (100.00%)	1,364 (100.00%)	2,914 (100.00%)	42.45%	3.73	00:02:16	2.40%	70 (100.00%)	\$2,529.35 (100.00%)

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## INSTAGRAM METRICS

# ENGAGEMENTS & Post Volume: Instagram

May 2018



May  
POST  
VOLUME  
17

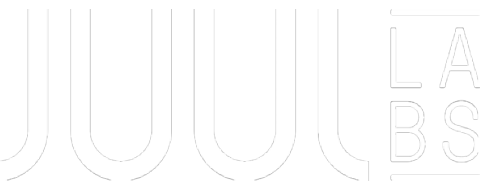
APRIL  
POST  
VOLUME  
17

MARCH  
POST  
VOLUME  
24

## SUMMARY

Engagements **decreased 10.53%** in May despite a post volume that was consistent with the previous month (17.)

Top performing content throughout the month includes “How To Puff” video,”Checking Battery” video and the Aman #SwitchToJUUL video.



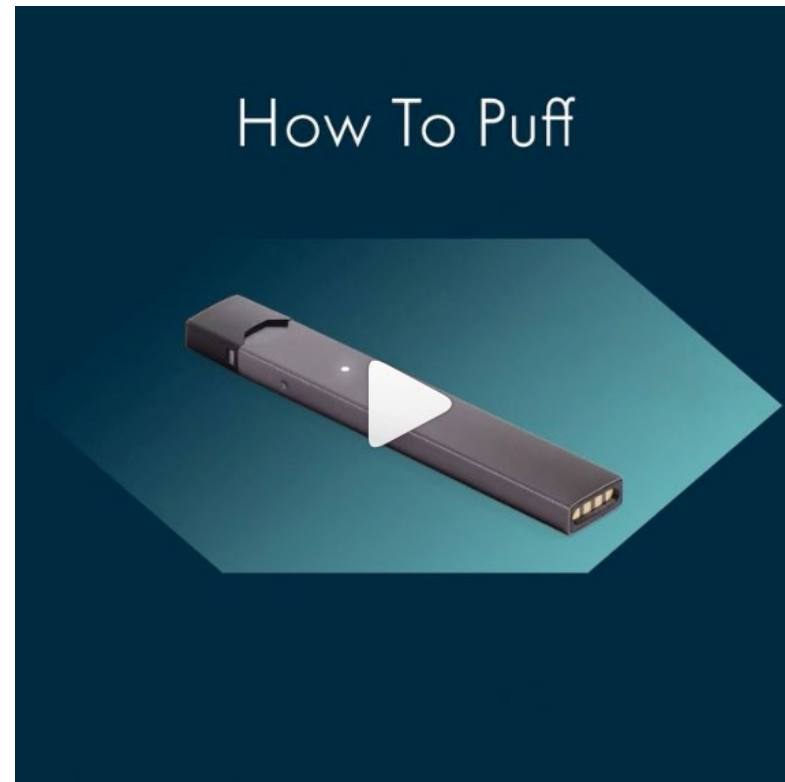


May 2018

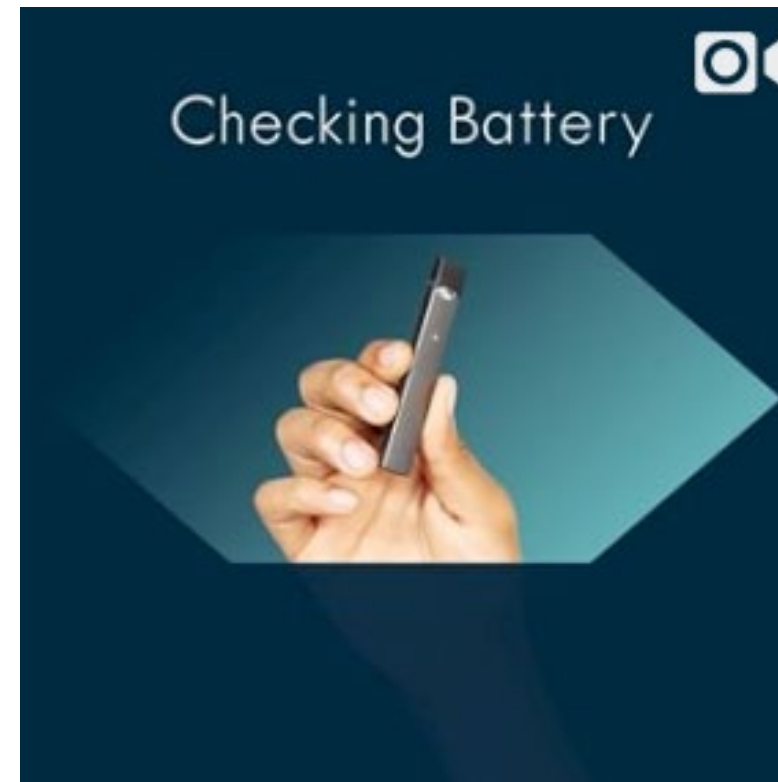
# INSTAGRAM POST PERFORMANCE

## May

### Top Performing Posts



Likes – 1,130  
Comments – 126  
Views – 56,385



Likes – 958  
Comments – 72  
Views – 29,488



Likes – 641  
Comments – 39  
Views – 17,792

### Least Performing Posts



Likes – 1,155  
Comments – 29  
Engagement – 1,184



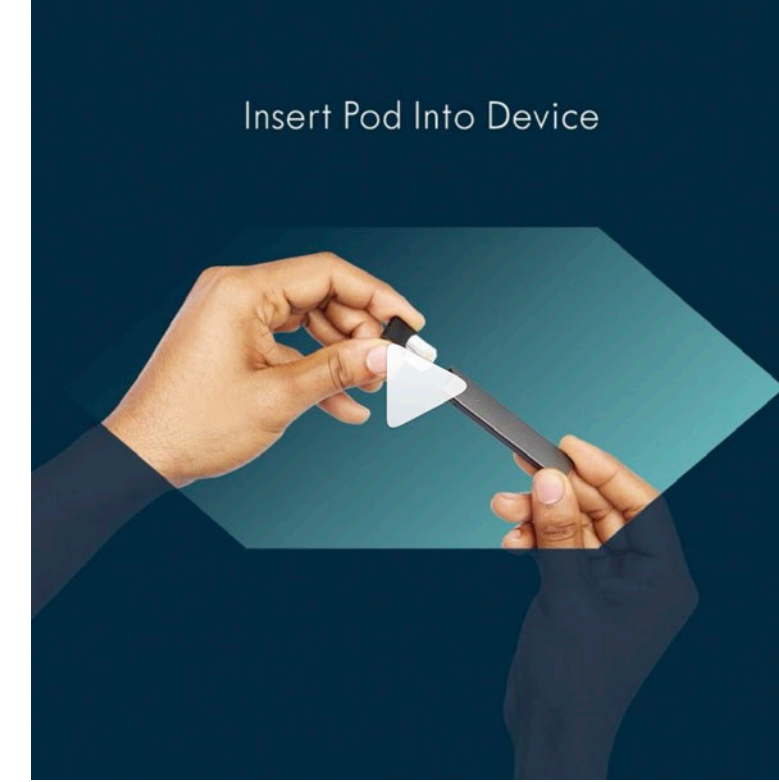
Likes – 1,395  
Comments – 53  
Engagement - 1,448



Likes – 688  
Comments – 26  
Engagement – 714

## April

### Top Performing Posts



Likes – 2,220  
Comments – 63  
Views – 30,542



Likes – 647  
Comments – 34  
Views – 14,900



Likes – 607  
Comments – 17  
Views – 10,145

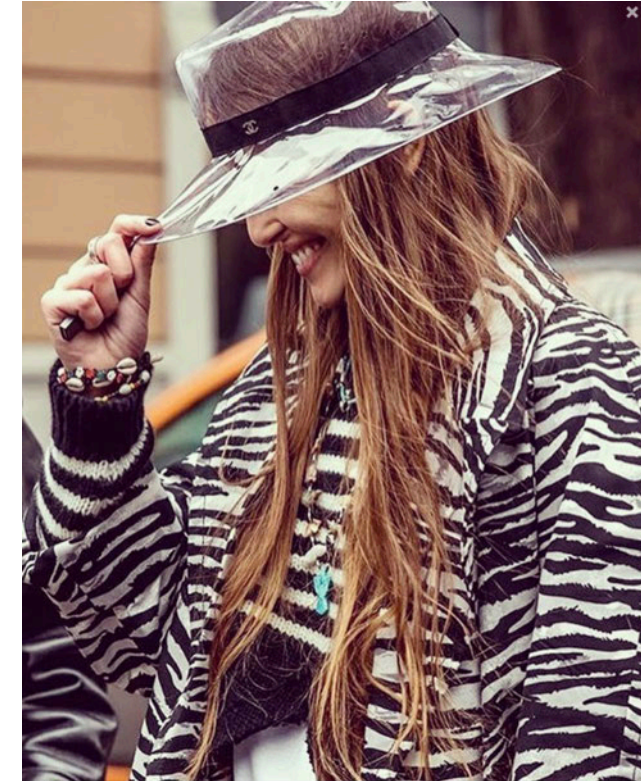
### Least Performing Posts



Likes – 1,289  
Comments – 87  
Engagement – 1,376



Likes – 726  
Comments – 11  
Engagement – 737



Likes – 681  
Comments – 30  
Engagement – 711



# TRAFFIC DRIVEN TO E-COMMERCE (Instagram)

May 2018



May:

	Users	New Users	Sessions	Bounce Rate	Pages/Session	Avg. Session Duration	Ecommerce Conversion Rate	Transactions	Revenue
	<b>3,239</b> % of Total: 0.22% (1,485,268)	<b>3,201</b> % of Total: 0.23% (1,398,102))	<b>3,316</b> % of Total: 0.14% (2,339,690)	<b>21.35%</b> Avg for View: 43.64% (-51.07%)	<b>4.69</b> Avg for View: 3.89 (20.71%)	<b>00:01:35</b> Avg for View: 00:02:16 (-29.77%)	<b>0.15%</b> Avg for View: 3.03% (-95.03%)	<b>5</b> %of Total: 0.01% (70,919)	<b>\$193.63</b> % of Total: 0.01% (\$2,927,271.49)
Instagram	<b>3,239</b> (100.00%)	<b>3,201</b> (100.00%)	<b>3,316</b> (100.00%)	<b>21.35%</b>	<b>4.69</b>	<b>00:01:35</b>	<b>0.15%</b>	<b>5</b> (100.00%)	<b>\$193.63</b> (100.00%)

April:

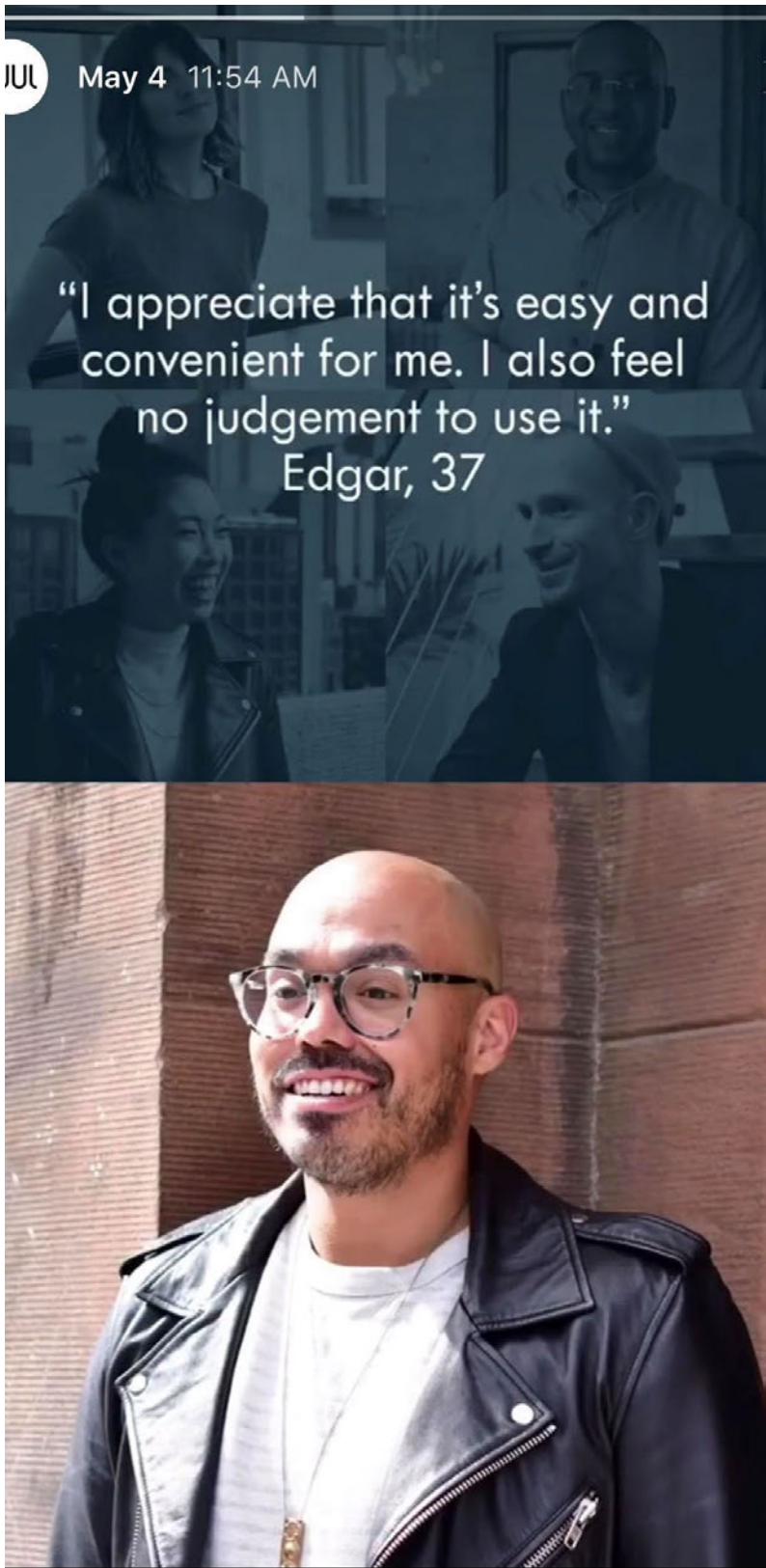
	Users	New Users	Sessions	Bounce Rate	Pages/Session	Avg. Session Duration	Ecommerce Conversion Rate	Transactions	Revenue
	<b>3,485</b> % of Total: 0.21% (1,650,961)	<b>3,274</b> % of Total: 0.23% (1,430,581)	<b>3,627</b> % of Total: 0.15% (2,464,506)	<b>34.37%</b> Avg for View: 43.65% (-44.16%)	<b>4.57</b> Avg for View: 4.05 (12.98%)	<b>00:01:29</b> Avg for View: 00:02:23 (-37.66%)	<b>1.35%</b> Avg for View: 3.69% (-63.35%)	<b>49</b> %of Total: 0.05% (90,843)	<b>\$1,500.76</b> % of Total: 0.05% (\$3,159,956.53)
Instagram	<b>3,485</b> (100.00%)	<b>3,274</b> (100.00%)	<b>3,627</b> (100.00%)	<b>34.37%</b>	<b>4.57</b>	<b>00:01:29</b>	<b>1.35%</b>	<b>49</b> (100.00%)	<b>\$1,500.76</b> (100.00%)



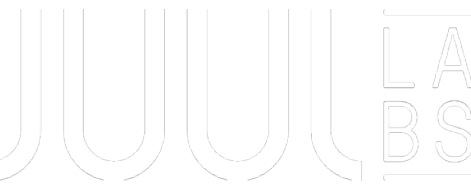
# INSTAGRAM METRICS (Impressions - Stories)

May 2018

Number of views per Instagram Story post



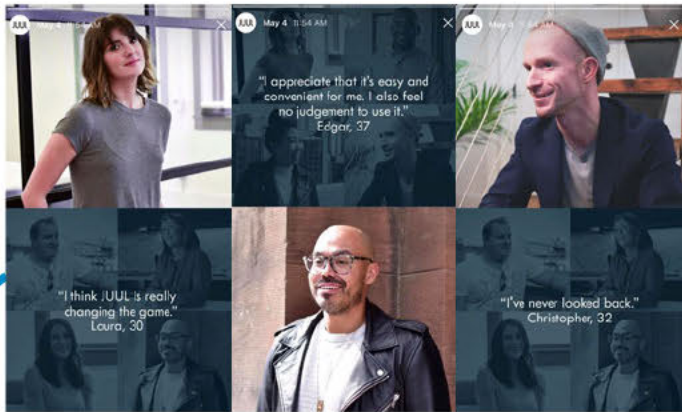
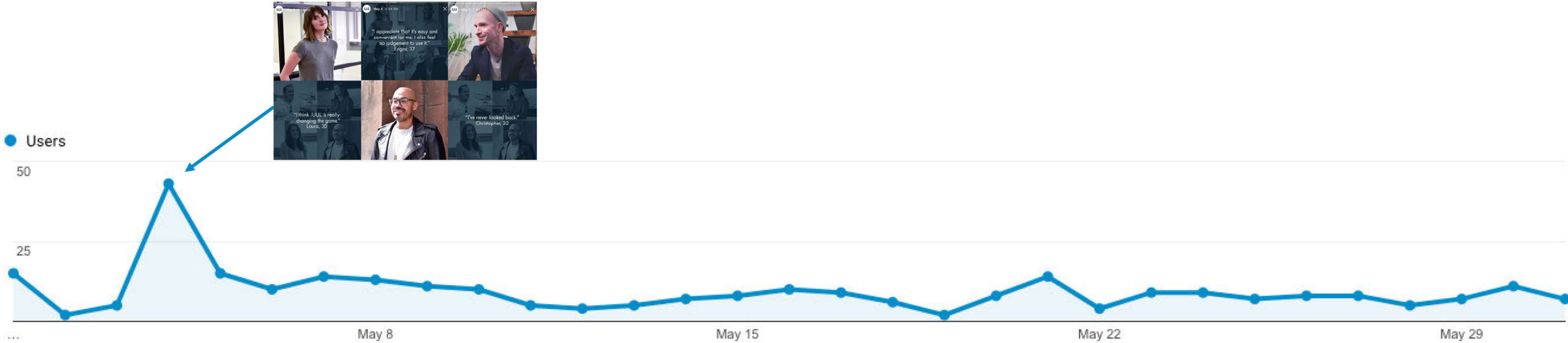
9,371  
Views





# TRAFFIC DRIVEN TO E-COMMERCE (Instagram Stories)

May 2018



May:

	Users	New Users	Sessions	Bounce Rate	Pages/Session	Avg. Session Duration	Ecommerce Conversion Rate	Transactions	Revenue
	291 % of Total: 0.02% (1,485,268)	278 % of Total: 0.02% (1,398,102)	303 % of Total: 0.01% (2,339,690)	67.00% Avg for View: 43.64% (53.52%)	2.23 Avg for View: 3.89% (-42.69%)	00:00:32 Avg for View: 00:02:16 (-76.76%)	0.00% Avg for View: 3.03% (-100.00%)	0 %of Total: 0.00% (70,919)	\$0.00 % of Total: 0.00% (\$2,927,271.49)
Instagram Stories	291 (100.00%)	278 (100.00%)	303 (100.00%)	67.00%	2.23	00:00:32	0.00%	0 (100.00%)	\$0.00(0.00%)

April:

	Users	New Users	Sessions	Bounce Rate	Pages/Session	Avg. Session Duration	Ecommerce Duration	Transactions	Revenue
	704 % of Total: 0.04% (1,650,961)	652 % of Total: 0.05% (1,430,581)	775 % of Total: 0.03% (2,464,506)	60.52% Avg for View: 43.65% (38.65%)	2.48 Avg for View: 4.05% (-38.60%)	00:00:48 Avg for View: 00:02:23 (-66.31%)	0.77% Avg for View: 3.69% (-79.00%)	6 %of Total: 0.01% (90,843)	\$177.47 % of Total: 0.01% (\$3,159,953.53)
Instagram Stories	704 (100.00%)	652 (100.00%)	775 (100.00%)	60.52%	2.48	00:00:48	0.00%	6 (100.00%)	\$177.47 (0.00%)



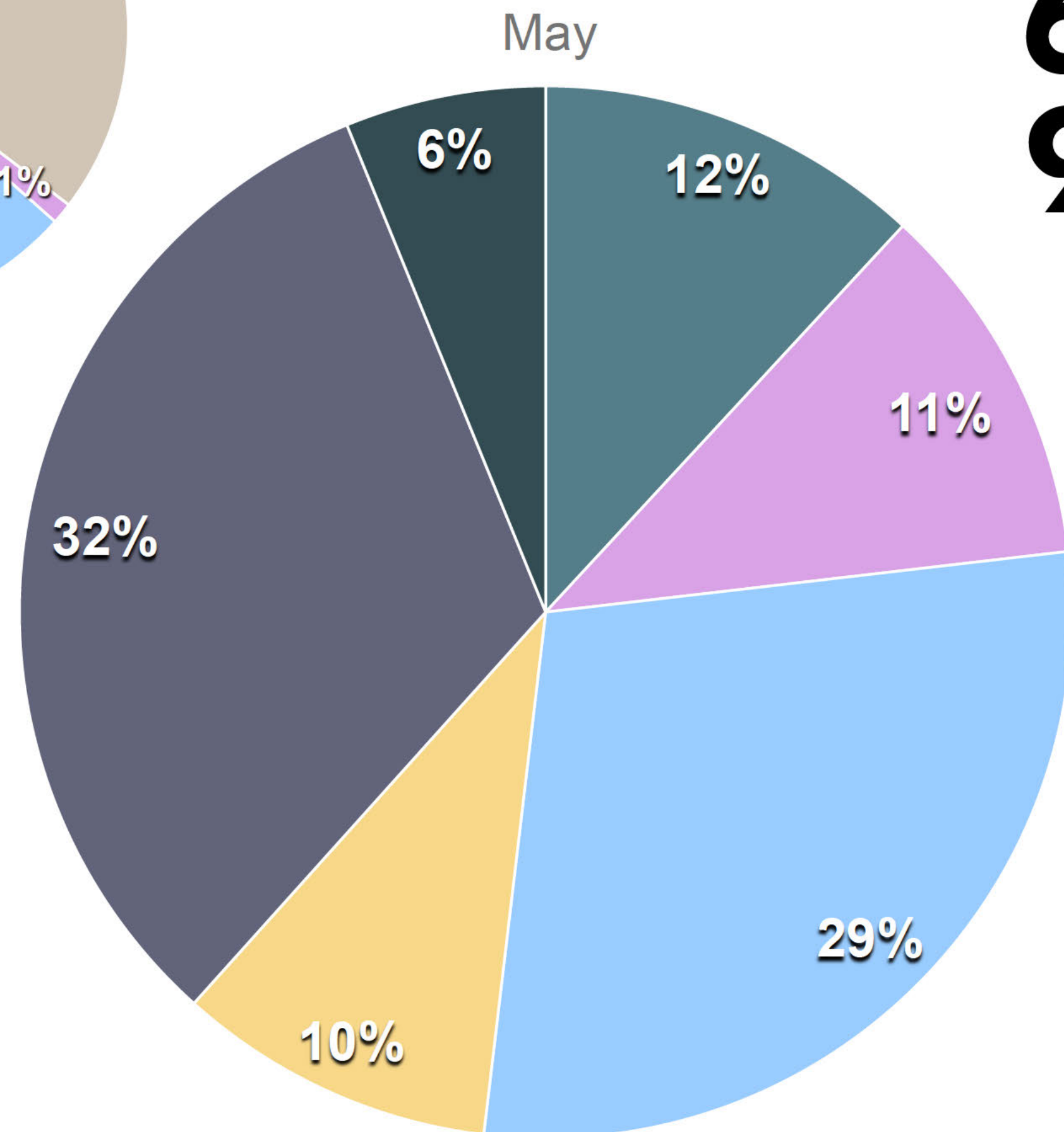
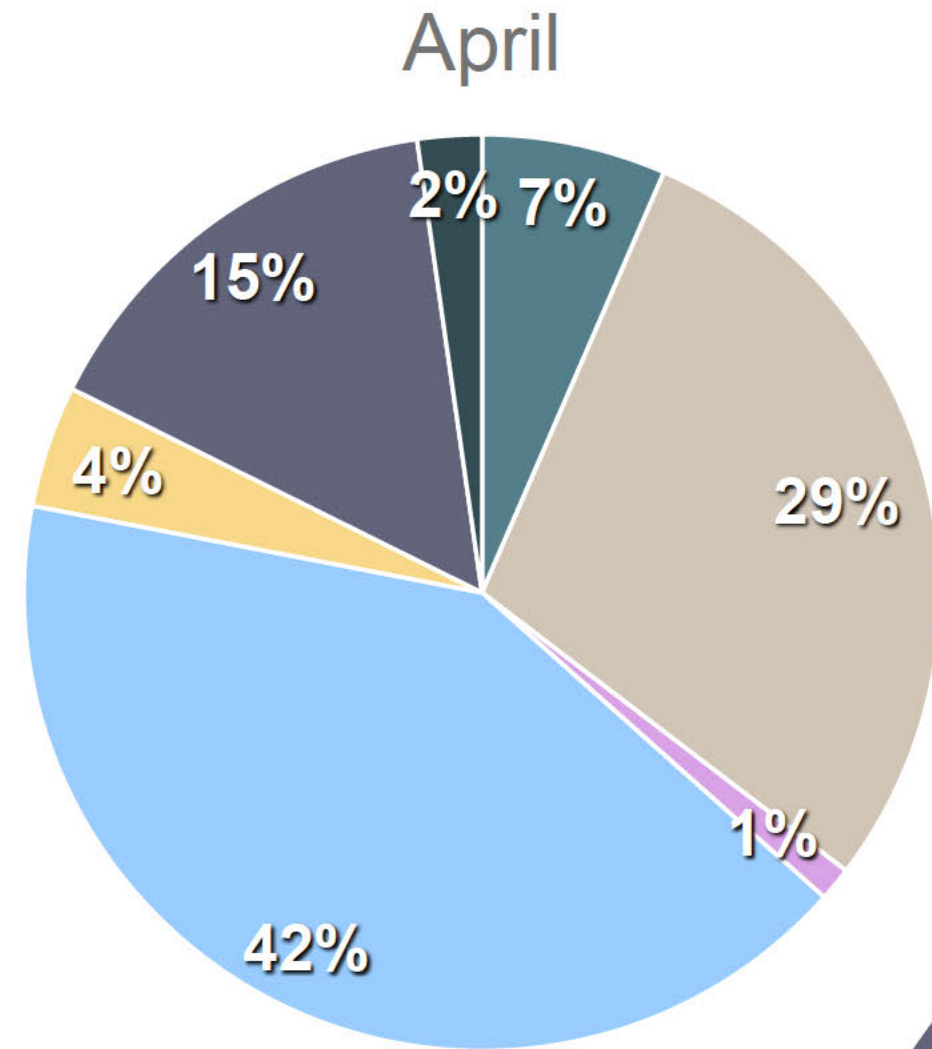
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## OWNED CONVERSATION TRENDS & ANALYSIS



May 2018

# OWNED CONVERSATION TOPIC ANALYSIS



**May:**  
**6,319** Incoming Messages  
**9.09 HOURS** Response Time

**APRIL:**  
**6,955** Incoming Messages  
**6.53 HOURS** Response Time

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**14.7 HOURS**  
 Industry avg. (CPG Brands)

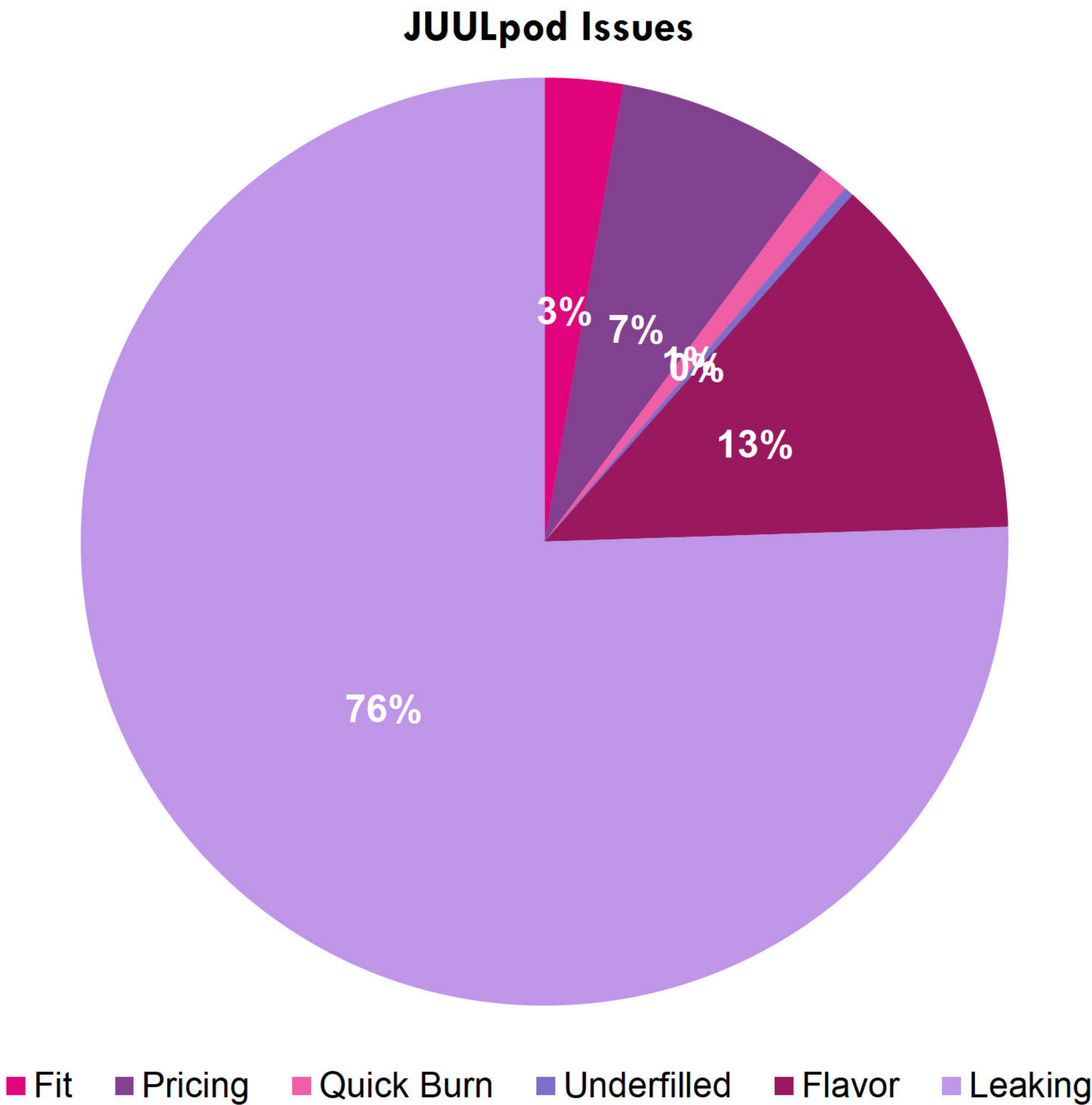
## SUMMARY

Response time in May **increased to 9.09 hours** compared to 6.53 hours in April.

The increase in response time can be tied to the loss of two Social Support Representatives, a switch to a new CRM tool (CX Social) and the onboarding of a new Community Manager.

Moving forward, we can expect this number to decrease as the team familiarizes with CX Social and new team members are up to speed.



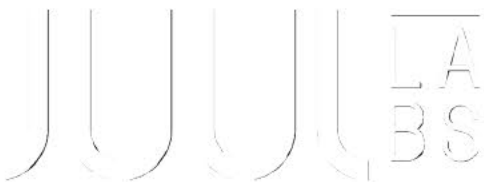


## SUMMARY

Leaking issues remain the top source of incoming messages about JUULpods across JUUL social channels. In May, leaking issues accounted for **76% of incoming messages** related to JUULpods — 222 messages compared to 164 in April.



Flavor complaints were the second most common issue for JUULpod related messages in May. A common theme among these messages were complaints of **burnt tasting pods**. Additionally, a large portion of the messages related to bunt tasting pods also mentioned they were using **Mango**.

JUULpod fit complaints accounted for 3% of incoming messages. Most customers with issues related to JUULpod fit complained that their pod did not stay snug in their JUUL device and required for them to push down on the pod in order to draw from the device.





JUULpod Issues

Leaking	Flavor	Pricing	Fit
<div><div><p>Hello , I purchased a Juul about a Month ago. March 31st at a convenience store in Salem NH. Recently I bought pods in Haverhill MA. One of the pods just leaked every time I tried to smoke the Juul. I pay a lot of money for these packs of 4 pods. And one pod does not work. It is frustrating. I was hoping to receive a free pack of pods. These pods</p><p>Private [redacted] - Juul May 04, 2018</p></div><div><p>This is the third pack of mint pods I've bought in the last month that just keep leaking everywhere. I only buy from retailers and I'm not sure what the issue is but it's really frustrating and gross.</p><p>DM between [redacted] and JUULvapor May 10, 2018</p></div><div><p>[redacted] commented on a photo on JUUL</p><p>29 May</p><p>1 pod of each of the last 5 packs of cartridges I've bought have either leaked or not fit properly. They make you jump through SO many hoops to file a warranty claim and I've not been successful getting either money back or replacement cartridges yet. The quality control of this product is terrible AND their warranty department is built to screw you. I'm so disappointed in this company and it's lack of ethics. Actively looking for another vape company to patronize. #juul</p></div><div><p>[redacted] sent a private message to @JUULvapor</p><p>28 May</p><p>I've been using your products for almost two years now, and over the past year I feel like the quality of pods has kept getting worse and worse. Out of the last 15 packs of mango pods I've gotten, only one pack was perfect, and only 4 had no leakers. The other 10 would have 1-4 leakers in the pack. I used to recommend juul to all my friends who wanted to quit smoking or who already vaped, but I can no longer do this. It's probabl cheaper for me to go back to smoking at this point if out of 60 pods, I only got maybe 35 that worked and only a few I actually enjoyed all the way through. It's very disappointing and I'm not sure how much longer I'll continue buying juul pods if this keeps up. The mint pods seem to be okay for the most part but mango is the my preferred flavor and it used to be the best performing pod.</p></div><div><p>@JUULvapor Third Mango Juul pod to spontaneously start forming bubbles inside and leaking. All from different batches this month. It happens at 75%-50% capacity. This last one got my Juul very oily hopefully it still works.. I'm thinking maybe QA stretched thin like supply?</p><div></div><p>Athertonian90 May 16, 2018</p></div></div>	<div><div><p>love the product, been using the juul for a few months, I'm now smoke free, but I was wondering if there's a reason why my mango pod started tasting kind of soapy about three quarters way down? the juice isn't burnt. just wanted to make sure there wasn't a recall I wasn't aware of.</p><p>Private [redacted] - Juul May 01, 2018</p></div><div><p>I opened my last pod in my pack about 10 mins ago and the pod taste like chemicals what should i do</p><p>DM between [redacted] and JUULvapor May 04, 2018</p></div><div><p>I just bought a pack of mango pods at sheetz gas station in Greensboro NC, Spring garden Street 27403. These pods were defective and tasted like burnt plastic, and the manager said that there wasn't anything he could do because it was a Tobacco product, and to contact juul as a whole.</p><p>DM between [redacted] and JUULvapor May 10, 2018</p></div><div><p>So I am pretty disappointed, I bought a brand new juul, and another pack of pods and same things , taste like hot air.</p><p>DM between [redacted] and JUULvapor May 10, 2018</p></div><div><p>[redacted] sent a private message to @JUULvapor</p><p>29 May</p><p>Some of your mangos taste funky</p><p>• Flavor Issue • JUULpod Issue • JUULpod Mango</p></div><div><p>[redacted]</p><p>29 May</p><p>hey @JUULvapor the cucumber pods that I bought from the store are absolutely nothing like the ones I get delivered. what's up with that?</p><p>• JUULpod Cool Cucu... • Flavor Issue • JUULpod Issue</p></div><div><p>[redacted] sent a private message to @JUULvapor</p><p>21 May</p><p>Dear Juul Company,</p><p>I recently bought a pack of mint Juul pods from my local Speedway and I have been using mint Juul pods since I purchased my Juul and I have to say, there is just something off about these pods and they just don't reach my level of satisfaction with the flavor. I don't know what is wrong with them but they taste very terrible.</p><p>Thank you.</p></div></div>	<div><div><p>Don't buy @JUULvapor. Their expensive vapers work for a couple of months than crap out. #juul. #ripoff</p><p>[redacted] May 03, 2018</p></div><div><p>Can't believe I wasted so much \$ on such a pathetically expensive to refill device. Thought the product would be dead by now</p><p>[redacted] - Juul May 04, 2018</p><p>Comment on Post "We have a new... your switch stories: <a href="http://juul.com/community">http://juul.com/community</a>"</p></div><div><p>Prices went up was 21 bucks for starter pack now it's 50 bucks i'll stop buying these that's way to much money.,</p><p>[redacted] - Juul May 06, 2018</p><p>Comment on Post "Green means go. It's... the #SwitchToJUUL? <a href="http://bit.ly/2wcEWj9">http://bit.ly/2wcEWj9</a> #JUULTI..."</p></div><div><p>can y'all lower the price of pods plz @JUULvapor</p><p>[redacted] May 12, 2018</p></div><div><p>[redacted] commented on a post on Juul</p><p>22 May</p><p>It be nice if the pods were cheaper.</p><p>• Pricing</p></div><div><p>[redacted] commented on a photo on JUUL</p><p>21 May</p><p>Why did the starter kit go up to \$54. It used to be like 35.</p><p>• Pricing</p></div><div><p>[redacted] sent a tweet</p><p>20 May</p><p>@JUULvapor either lower the price of your pods or increase the size of them if you want to keep your customers</p><p>• Pricing</p></div></div>	<div><div><p>Hi, every time I put a new pod inside my juul, it seems to either pop out or just not go in all the way</p><p>DM between [redacted] and JUULvapor May 03, 2018</p></div><div><p>Hi there! Quick question. My juul pods are not sitting right in the juul and causing it not to properly hit every now and again. Is there anything i can do to fix it?</p><p>DM between [redacted] and JUULvapor May 03, 2018</p></div><div><p>My last three packs of pods obtained from a local retailer have had the plates (gold squares in the bottom of the pod) so deeply pushed-in that they don't touch the prongs (gold pins) inside my 2) Juul devices. Just thought you should know, and trying to reach customer service thru your website is like trying to find a GD unicorn IRL. Package seria</p><p>DM between [redacted] and JUULvapor May 13, 2018</p></div><div><p>[redacted] sent a private message to Juul</p><p>31 May</p><p>I have only had my Juul for a couple months and the pods keep falling out. Is this something common?</p><p>• Fit • JUULpod Issue</p></div><div><p>[redacted] sent a private message to @JUULvapor</p><p>30 May</p><p>Hi I purchased my JUUL yesterday and the pods that I bought with it will not stay in my juul they push up and out of it and I have to hold it down to hit it</p><p>• Device Issue • Fit</p></div><div><p>[redacted] sent a private message to @JUULvapor</p><p>28 May</p><p>hello, i'm trying to start a claim for my warranty, my pods will not click all the way down to hit and i have my device registered and don't know how to start a claim with you guys</p></div></div>




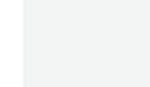



May 2018

## OWNED CONVERSATION TRENDS &amp; ANALYSIS

## JUULpod Issues







## Quick Burn

-  @JUULvapor All pods I have been buying have been burning and it's ridiculous when I am spending 17\$ on it....  
 May 11, 2018
-  I liked the juul, and I haven't had a cigarette since 11/25/17. How ever I've noticed a major change in how the pods are hitting lately. Personally it feels like a money scheme, and that opinion won't change. Your customers are very well aware of this too, do y'all plan on shipping out more reliable pods soon? Your current shelf ones are running ou +  
 Juul May 18, 2018  
 Comment on Post "I'm constantly encouraging people... with us at <http://JUUL.com/communit...>
-  commented on a post on Juul 18 May
- I liked the juul, and I haven't had a cigarette since 11/25/17. How ever I've noticed a major change in how the pods are hitting lately. Personally it feels like a money scheme, and that opinion won't change. Your customers are very well aware of this too, do y'all plan on shipping out more reliable pods soon? Your current shelf ones are running out of juice 4x as fast now, and rarely ever crackle. No I don't need to buy a new juul, already have. And no it's not the battery.

## Under-filled

-  sent a **private message** to @JUULvapor 30 May
- Hello Juul, I was very excited to crack open my new last pod of my pack except for one problem. YOU GUYS FORGOT TO FILL IT. Come on man what kind of customer service is this I feel so cheated and want answers!!! Please respond!
- JUULpod Issue • Underfilled

## Other

-  sent a **private message** to @JUULvapor 30 May
- Hi, I own a juul and the entire pack of pods that I just purchased today are broken. Is there anything I can do about this? Could you guys send me a new pack?
-  replied to a tweet 28 May
-  @JUULvapor Why do some pods work great and others work horrible . I hate wasting 16\$ on a pack and getting 2 or 3 duds  
 • JUULpod Issue
-  sent a **private message** to Juul 26 May
- Hi! I have been using the Juul for about a month now and I am in love! I only have one issue. Recently, when I buy a pack of pods, at least 2 of them are always messed up. I take care of them, and am not rough with them. Its disappointing to spend \$15 on a pack and only get to use maybe 2 of them 😞
- JUULpod Issue
-  sent a tweet 22 May
-  @JUULvapor thanks for the broken pod....appreciate wasting my money 🙄💯
- JUULpod Issue



# OWNED CONVERSATION TRENDS & ANALYSIS

May 2018

## Positive Feedback

Switch to JUUL

Product

I am sold on Juul ❤️ Bought it and haven't touched a cig in over a month. I also don't miss cigs. I would love it if you could offer pods with less nicotine as I find 5% harsh/strong. It's the oral fixation and I don't need all that nicotine. Thank you for helping kick that nasty habit 🙏

➤ Juul May 08, 2018

Juul Your product has helped me quit cigarette smoking and I am so grateful as these are the best alternative to smoking I have found. I have spoken to several other Juul users and a reduced nicotine content would be wonderful!

➤ Juul May 09, 2018

200+ days cigarette free. I believe in this product for effective smoking cessation.

➤ Juul May 09, 2018

replied to a tweet

29 May

• registration issue • Switch to JUUL

commented on a photo on JUUL

29 May

• Positive Feedback • Switch to JUUL

commented on a post on Juul

25 May

commented on a post on Juul

30 May

I thought \$50 was asking a little much for a gas station ecig. I stopped smoking cigarettes using the Vuse Vibe, then the recall happened and I was freaking out because nothing else worked. Went back to cigarettes and could feel my body protesting- massive headaches, throat hurt, not to mention the stink. After a few days I caved and bought the JUUL starter kit at the local Holiday gas station and boy I'm glad I did! Seriously kicking myself for not just doing it right away. The JUUL is even better than the Vuse Vibe. I love the magnetic charger! And am pleasantly surprised that I like all of the flavors, with Vuse I hated all but the Original. I would like to try the Classic Tobacco flavor JUUL pod but none of the stores around here carry that flavor 😞

commented on a post on Juul

25 May

Love your product. Never thought I could quit Newport. Tried blu, logic etc and never found a menthol that could replace MY Newport. Alas I bought the starter kit and your cool mint did the trick I was able to drop the Newports even tho it has a completely different taste It SATISFIED. Love the Virginia tobacco and the others too BUT the classic menthol is my favorite. Stores in my area are running out and I see it's a limited time Scew. My only advice would be to go full time with classic menthol, it's the only thing on the market so close to a Newport. And a variety pack without buying a new battery would be cool. Love yas!

28 May

And as funny and ironic it's is, thanks @JUULvapor for supplying my parents with a great device to pave their way to a non nicotine life 🤔👉

27 May

Jumped into a pool last night with my Juul accidentally in my pocket, switched to a new pod and it still works. Juul gods we're looking over me lol cc: @JUULvapor

sent a private message to @JUULvapor

29 May

Awesome! Thank you again. I really enjoy the juul device and the customer service is exceptional, as I just witnessed first hand! Happy customer here. Thank you.

21 May

Yo, props to @JUULvapor I used my warranty on Saturday night and had it today, I wish everything would ship that fast 😂

sent a private message to @JUULvapor

30 May

You guys are the best! Seriously I fell in love with your vision! I don't know if you guys need people but I am a film maker, this silly Twitter is just a fun avenue to see what people are doing. I love love love the vision you guys have and the story you display! I do mostly weddings, music videos, working on a short film and I am branching into documentaries. I couldn't find a email account on your website but if there is a way to show work or anything let me know! Thanks for checking on that and I'm excited to quit smoking for good!

sent a private message to @JUULvapor

30 May

I love yalls product I used to be a smoker in my younger years and now I'm on the juul and I can't explain how much more I love it Thankyou guys for helping me lead a healthier life

25 May

Hello @JUULvapor ! Thank you for all that you do for my community. I love you!

commented on a photo on JUUL

31 May

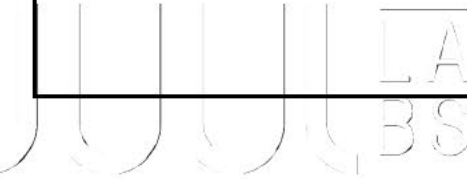
Keep up the good work guys 🍷🍷 see u soon hopefully 🌟

28 May

And as funny and ironic it's is, thanks @JUULvapor for supplying my parents with a great device to pave their way to a non nicotine life 🤔👉

Customer Service

General





May 2018

# OWNED CONVERSATION TRENDS & ANALYSIS

## Positive Feedback

### Youth Prevention

@JUULvapor Third-party age verification online and showing ID in stores. What more can a company do? When are parents responsible for the behavior of their teens?

May 11, 2018

It is not Juul's responsibility to ensure those little convenience stores are complying with state law. Juul does everything they can to keep the product out of teens' hands, which is verifying age via ID and address info for any direct online sales.

If the manager of some local convenience store across the country sells it to some 10th graders, the

> Juul May 11, 2018

replied to a comment on Juul 24 May

nicotine itself may not be great for you, but it is better than smoking cigarettes. I smoked for 22 years, and stopped over four months ago. There is a good chance I will get sick from smoking anyway. It isn't JUUL's fault that teens are using it, stop blaming the wrong people. You can't control what teens do, when I was a teenager, I smoked, cigarettes and pot, did a large number of recreational drugs, the law didn't matter.

sent a private message to @JUULvapor 30 May

Hello, I was wondering if you could post things to your media about how people like me (the young ones who did not smoke before juuling) could quit juuling! I have been trying for a while, but it is so addictive. My friends have been too. I feel like it would be a positive way to combat the complaints from people my age. I also understand it could interrupt your marketing and all, but most people, especially through Instagram, are in the age group of the people who started on Juul (without smoking previously). Obviously I don't have your marketing research or anything, but I think it'd be extremely helpful for many teens like me! At the very least, maybe post a link to your bio! Thanks, Mary

replied to a comment on Juul

24 May

"I am on a mission to prevent companies like JUUL labs from selling their product to non-smoking teens"

vs

"Kids are buying them illegally"

You just contradicted yourself. Which is it? Is JUUL directly selling them to kids? No they aren't. You said it yourself, they are buying them illegally. It is illegal for kids to buy them. They are not marketed to kids. In fact, they have a whole branch of their company dedicated to fighting against kids using them. So it would make much more sense for you to go complain to the shops that sell them to underage kids or the people straw purchasing them for underage kids.

Your whole argument is a contradiction.

"There is not clinical evidence that says it offers any life saving, life enhancing benefit. Switching to JUUL is simply removing the societal stigma that smoking has become. It smells, it makes people look older, and you die from it."

Actually there is clinical evidence proving that it is safer, and everything you said there is wrong. But I know you will choose to willfully ignore all this:

commented on a post on Juul

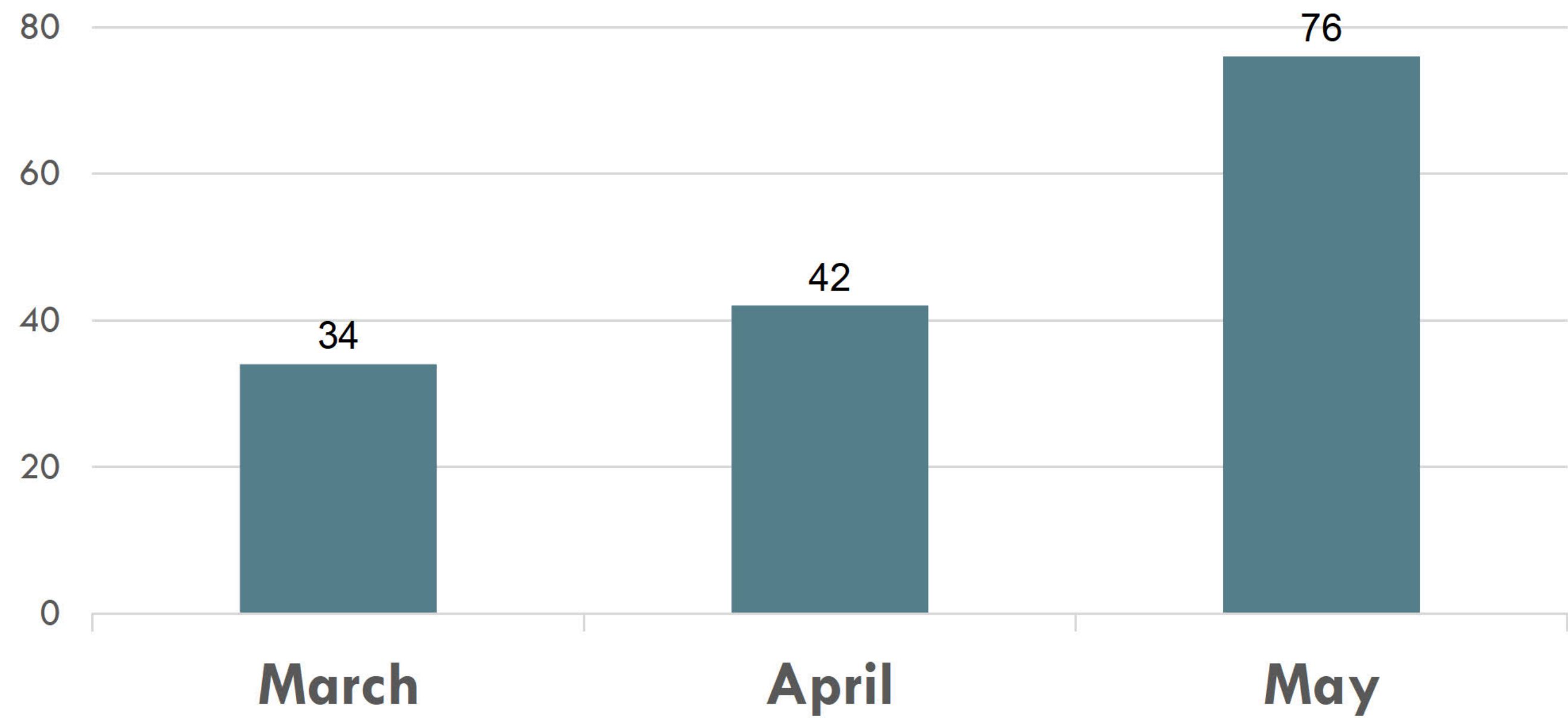
30 May

Meh, kids are going to do shit they aren't supposed to. If that wasn't the case we wouldn't have underage drinking, smoking, drugs, etc. Don't punish the adult customers because teens are acting like teens. I don't want my kid or any kid to do those kind of things but if it came down to him either smoking a cigarette or using a vape I'd much rather it be the vape than a cancer stick!



# OWNED CONVERSATION TRENDS & ANALYSIS

## Nicotine Level Issues & Questions



### SUMMARY

There has been an increasing amount of messages from customers regarding nicotine levels in JUULpods.

In May, JUUL received 76 messages related to nicotine levels, compared to 42 in April.

Most common issues related to nicotine levels include questions from customers on whether or not JUUL plans to release JUULpods with lower levels of nicotine.

## Sample Messages

I want a @JUULvapor but they don't make nicotine free ☹️

Discovered: May 01, 2018

Any plans of launching lower nicotine level or ZERO nicotine pods anytime soon?

Private: Juul May 03, 2018

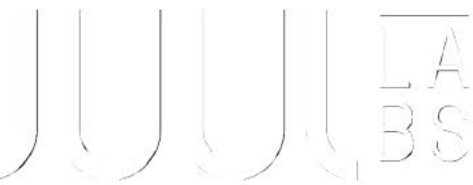
oh absolutely i cant disagree with you, especially the high nicotine dose brands like @JUULvapor are the reason why its not safe.

Discovered: May 02, 2018

sent a tweet

31 May

@JUULvapor make pods with multiple nicotine levels going from 5% down to 1%

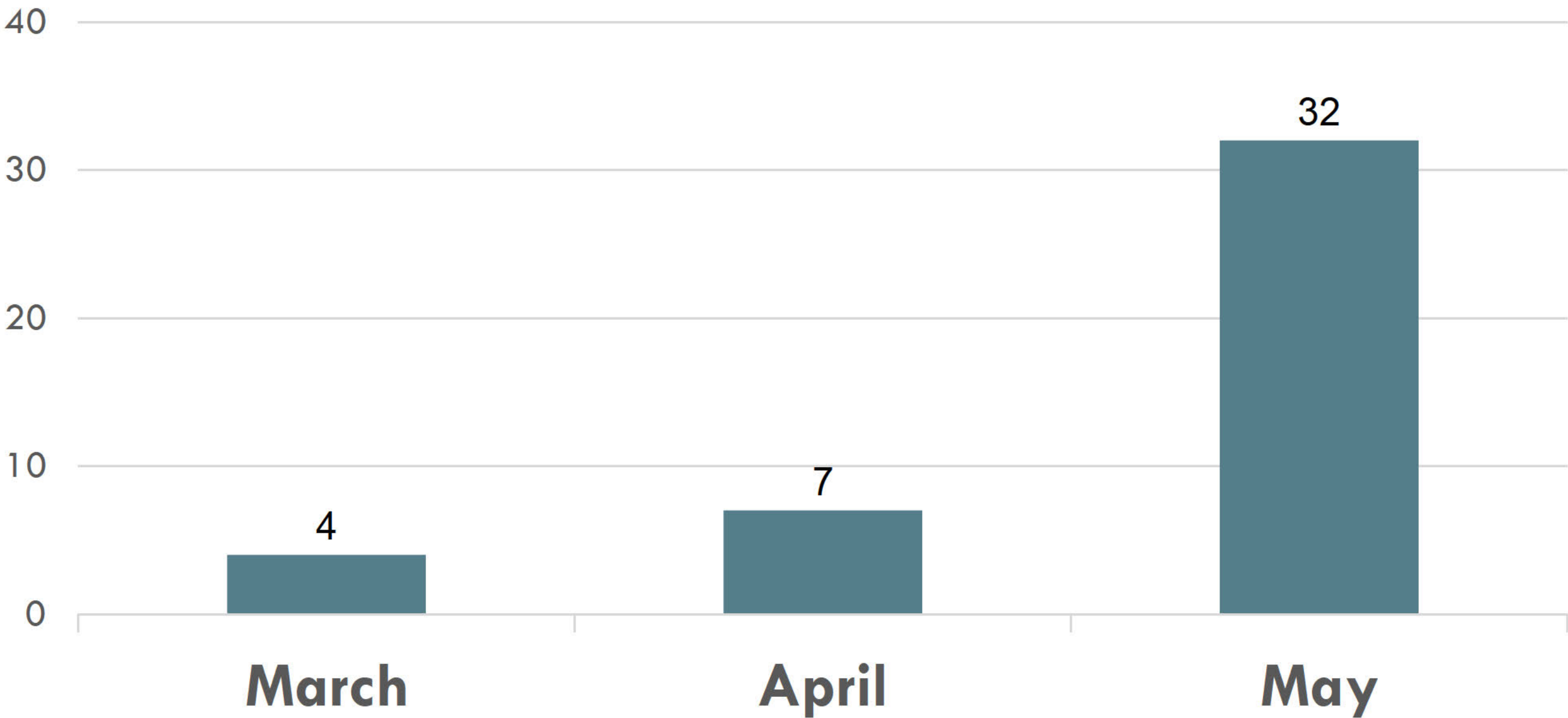




# OWNED CONVERSATION TRENDS & ANALYSIS

May 2018

## Recycling Issues & Questions



### SUMMARY

May saw the largest increase to-date of messages related to recycling JUULpods. There were **32 messages** throughout the month, compared to 7 in April.

Most common issues related to recycling were questions from customers asking if JUUL has any plans to introduce a recycling program, or if JUULpods are recyclable.

The volume off messages related to recycling will be important to track moving forward as JUUL develops a plan to handle pod waste.

## Sample Messages

@JUULvapor Are juul pods recyclable? I've seen people reuse the pods by re-filling them with their own juice, but I don't see anything on your website about actually recycling them.

May 01, 2018

Why don't you promote recycling of these products? Your website says: "JU-ULpods are closed systems and are not intended to be refilled. They can be thrown away in a regular trash can." Since these are made out of plastic, I strongly suggest encouraging people to recycle so this doesn't go into a landfill or in the ocean where it will take hundreds

How are you handling the wake of e-waste from pods? What's better about used-up pods than trad cig butts?

wall post | Juul May 11, 2018

sent a tweet

28 May

@JUULvapor Hi there, I'm considering to switch because your product really stands out but I'm concerned about the environmental impact of JUUL pods. Do you have some sort of recycling program? Do you compensate your carbon footprint? Thank you.





# OWNED CHANNELS: FINDINGS & ANALYSIS



Video content has consistently performed well on Facebook and similar to April, holiday/seasonal content underperformed versus other assets. Two posts related to Memorial Day performed lowest amongst all other content throughout the month.



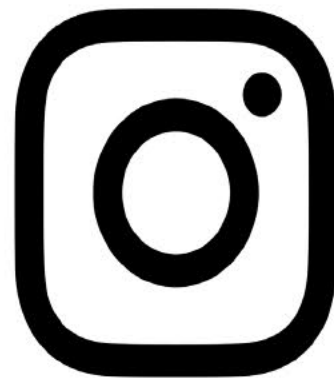
- Create additional video content geared toward informing users of JUUL and its features.
- Consider finding new ways to promote the #SwitchToJuul campaign with new creative.



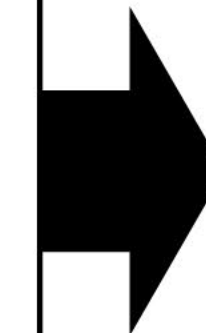
There was a mix in performance on Twitter for content related to the #SwitchToJuul campaign. Company updates tend to perform well — in April the top performing pieces of content were all related to the letter from the CEO.



- Update SWITCH creative to make it more engaging and “fresh” amongst our users
- Focus on providing more company updates — this could be a good opportunity to focus on promoting JUUL’s efforts to combat underage use & highlight the JUUL Facts campaign.



Similar to other channels, video content on Instagram regularly outperforms normal images. In addition to video assets, holiday and seasonal content performs well and can be a good way to inform users on any ongoing holiday promotion.



- Create additional informative video assets to tell users a story about JUUL devices & features
- Create teaser content related to any upcoming flavor releases

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## SOCIAL LISTENING



May 2018

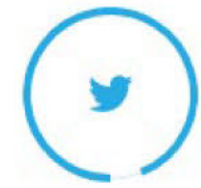
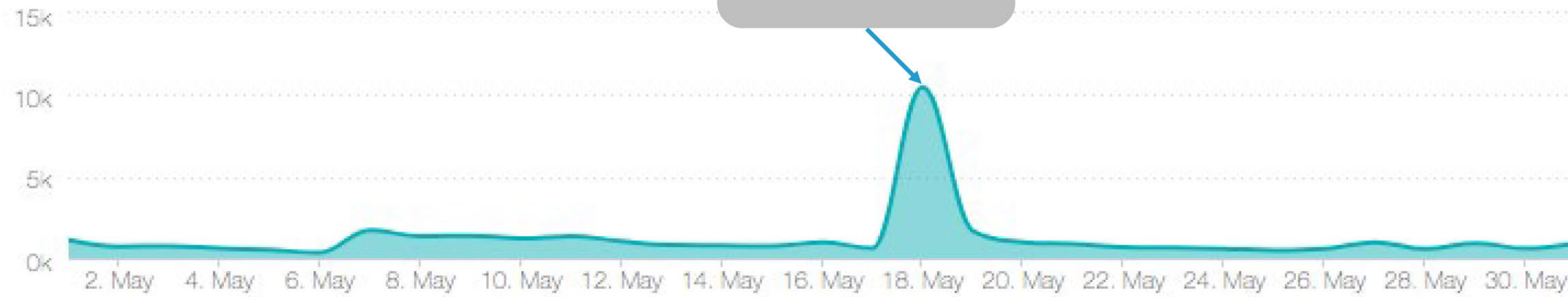
# SOCIAL LISTENING: CONVERSATION TRENDS

## May Volume

Total Mentions

**36.7K**  
mentions

Tweet by  
@richbrian



**34.7K**  
mentions



**1.2K**  
mentions



**806**  
mentions



**74**  
mentions



**7**  
mentions



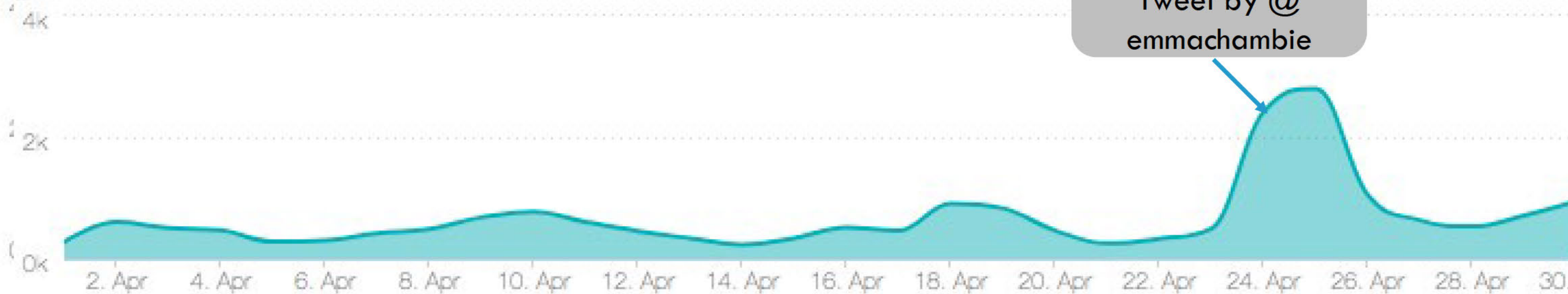
**2**  
mentions

## April Volume

Total Mentions

**20.2K**  
mentions

New FDA Youth  
Prevention actions +  
Tweet by @  
emmachambie



**17.3K**  
mentions



**1.8K**  
mentions



**977**  
mentions



**82**  
mentions



**7**  
mentions



**4**  
mentions



**4**  
mentions

## SUMMARY

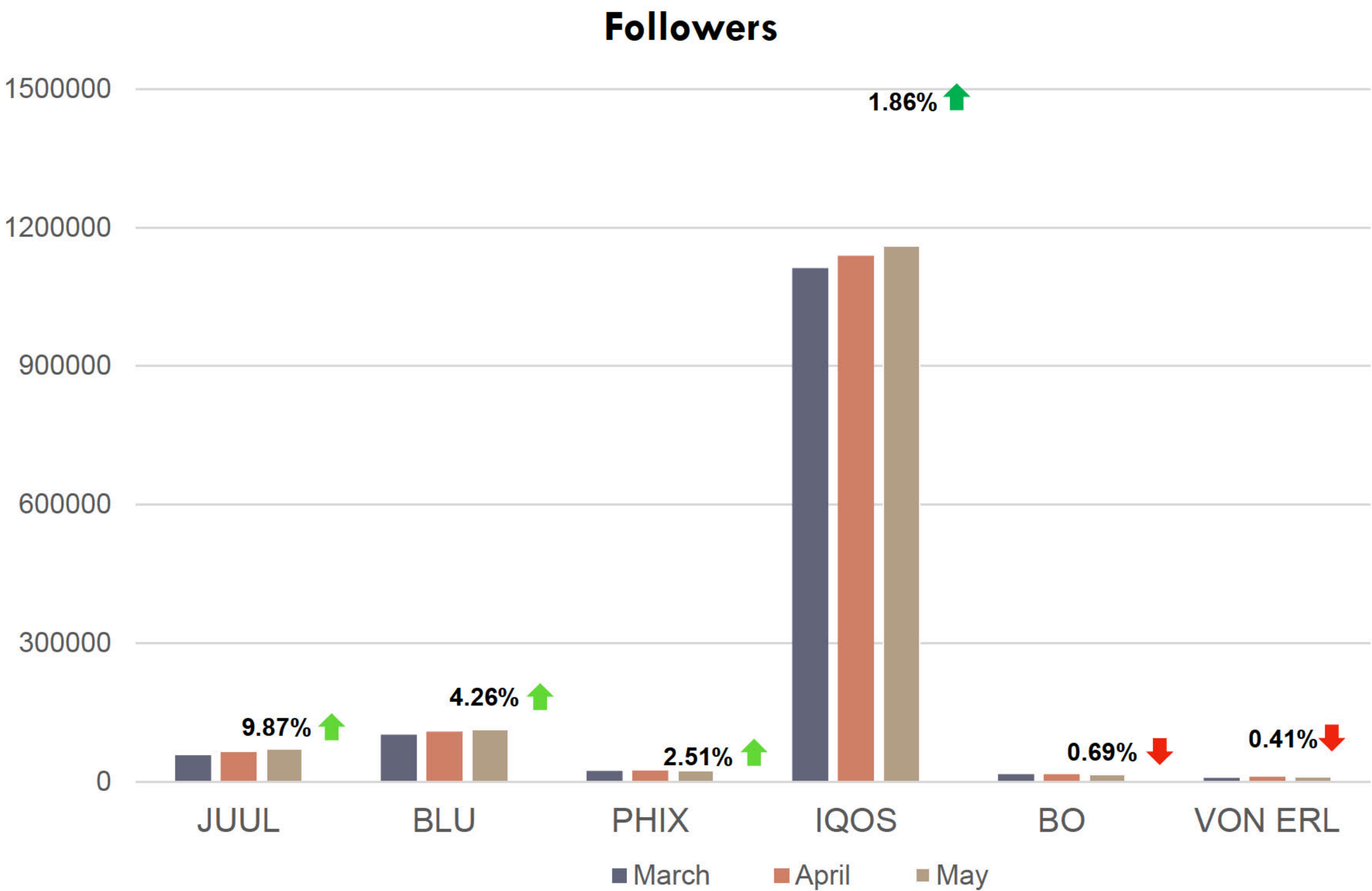
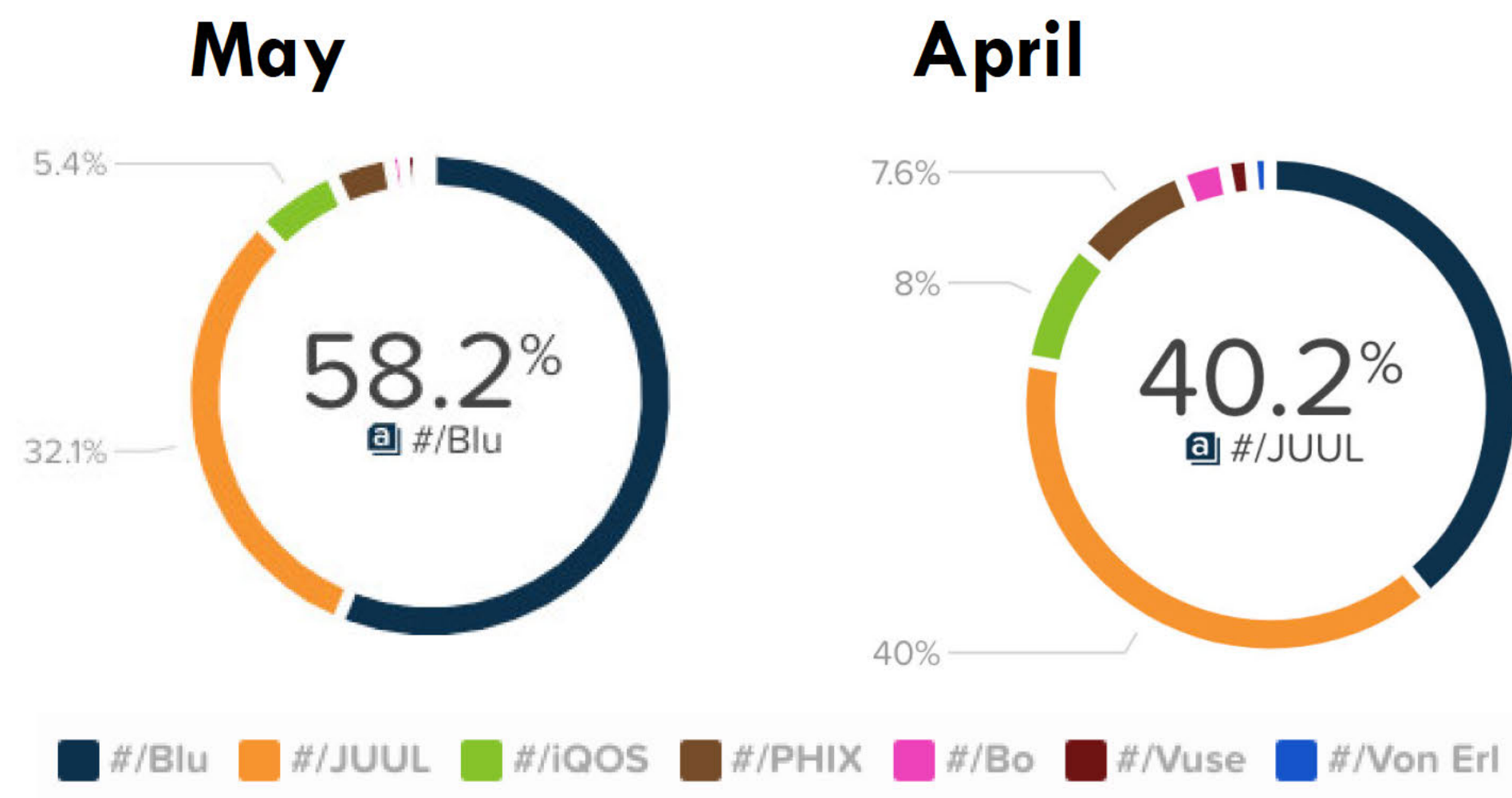
Total mentions in May **increased 81.85%**. A tweet by @richbrian caused the largest spike in activity on May 18 when he tweeted about being reincarnated as a JUULpod.

Aside from the tweet by @richbrian, Youth Prevention conversations accounted for the majority of the post volume (**16% with 6,024 related posts.**)

Product availability and health related conversations also accounted for a large portion of post volume. To be specific, a large portion of the health-related post volume was related to the cancer rumor.



Share of Voice



Findings & Analysis:

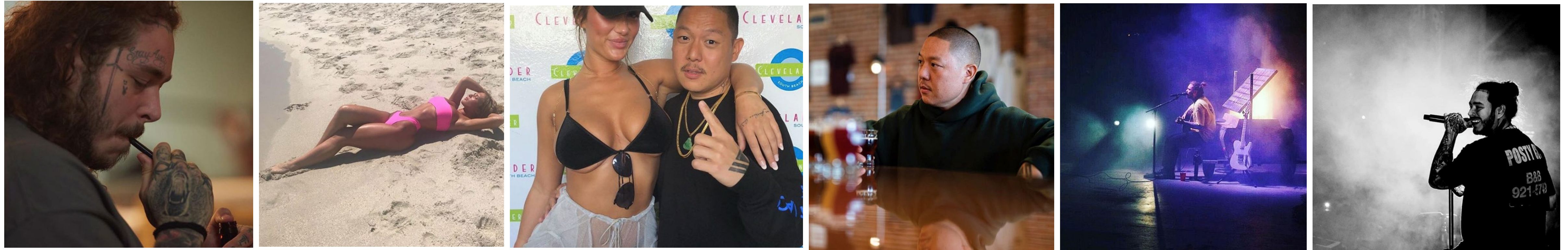
JUUL’s SOV dropped to 32.1% in May compared to 40.2% in April. JUUL competitor Blu took ahead with SOV in May, dominating at 58.2%. During the month, Blu heavily promoted relationships with celebrity influencers including Post Malone and announced a new partnership with Eddie Huang. There was a 9.87% increase in total followers across all JUUL social channels, while both Bo and VON ERL saw a decrease in follower growth.





# COMPETITORS IN SOCIAL (blu)

May 2018

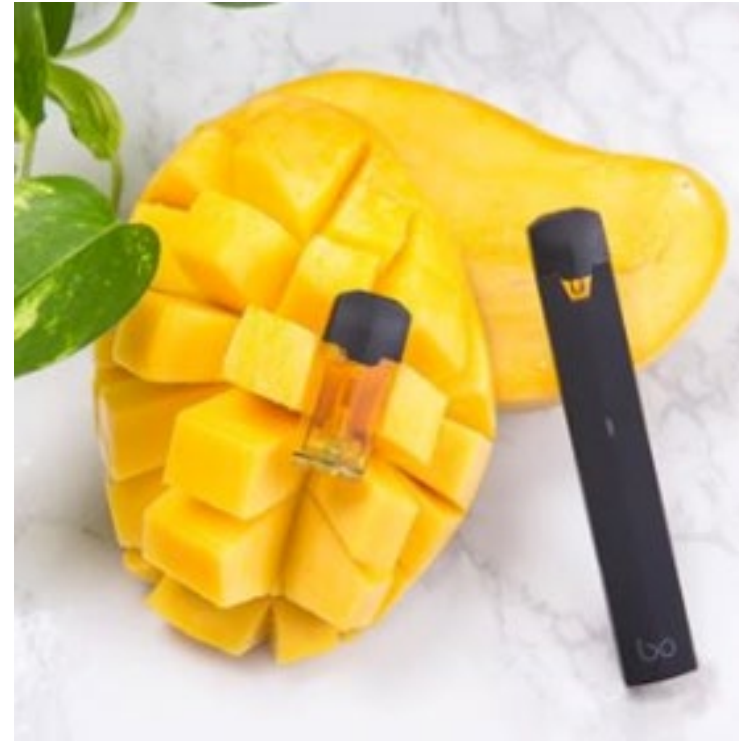


This month, Blu Ecigs heavily promoted content featuring their celebrity influencers. Following last month, Blu officially announced a collaboration with Eddie Huang who was featured in a large portion of content throughout the month.

Blu does not actively promoting its flavors on social, however, the company announced Mango Apricot to their lineup in May. In addition to flavors, Blu is not making any effort toward highlighting youth prevention issues, and does not include any nicotine warnings in their posts.



# COMPETITORS IN SOCIAL (Bo)



Bo Vaping continues to promote colorful designs and wraps for their devices. In May, the company released a new line of skins for their devices. In addition to the colorful and vibrant content, Bo Vaping continues to use young women (sometimes sexily dressed) in the majority of their content that shows people using their devices.

Additionally, Bo Vaping relies heavily on highlighting its available flavors on its social channels. The brand is not actively discussing youth prevention or including nicotine warnings within its content.



# COMPETITORS IN SOCIAL (SOLMFG)

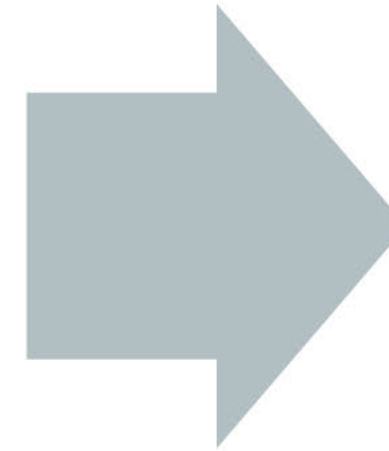


SOLMFG continues to stay simple with their content, with the majority of assets featuring the device paired with a flavor. People pictured with the device tend to look younger, however, there are not a large amount of posts featuring models. The flavor lineup for SOLMFG has not changed and still contains Spearmint, Mango, Watermelon, and Tobacco.

Though it's flavor portfolio is not huge, SOLMFG relies heavily on marketing its available flavors on its social channels. The majority of the brand's content includes images of both its product and a flavor promotion. In addition, SOLMFG is not taking any action to discuss youth prevention or provide nicotine warnings within the brand's social content.

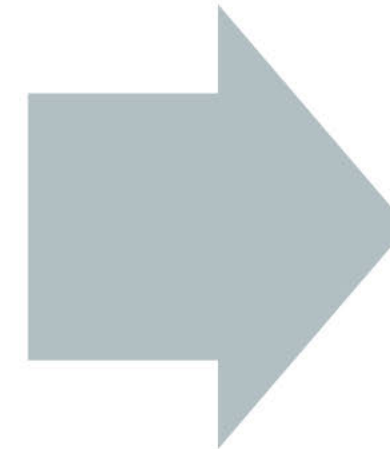
# FINDINGS & RECOMMENDATIONS

Youth Prevention remains the top tagged issue across all owned social channels



Continue pushing content related to JUUL Facts and closely monitor online conversations & shifts in demographics

Informational video content (How to Puff etc.) outperforms other content across social channels



Create additional video content to showcase JUUL devices and features

Customers continue using social as an outlet to connect with JUUL for device & pod issues, flavor recommendations and questions



Review & optimize tags in CX Social used to categorize social messages to allow for easier tracking & monitoring moving forward.

# Exhibit 25

On Fri, Jan 19, 2018 at 10:36 AM, [REDACTED] wrote:  
Thanks [REDACTED]. Appreciate the loop in. Let us know if this meeting gets scheduled.

[REDACTED]  
Assoc. General Counsel

Juul Labs 660 Alabama Street Second Floor, San Francisco, CA 94110 [REDACTED]  
photo juul labs sig2 zpsb4y2zjvf.jpg

This message and any files transmitted with it may contain information which is confidential or privileged. If you are not the intended recipient, please advise the sender immediately by reply e-mail and delete this message and any attachments without retaining a copy thereof.

On Fri, Jan 19, 2018 at 10:08 AM, [REDACTED] wrote:  
+ [REDACTED]

[REDACTED] Product Manager, eCommerce

Juul Labs 660 Alabama Street Second Floor, San Francisco, CA 94110 [REDACTED]  
photo juul labs sig2 zpsb4y2zjvf.jpg

This message and any files transmitted with it may contain information which is confidential or privileged. If you are not the intended recipient, please advise the sender immediately by reply e-mail and delete this message and any attachments without retaining a copy thereof.

On Fri, Jan 19, 2018 at 5:08 AM, [REDACTED] wrote:  
Hey All,

I wanted to write and include everyone that has a stake in the AV process to point out a few things in regard to your current JUUL pass rate.

You can see that the daily JUUL pass rate is between 68-72%. For comparison, PAX has a daily pass rate that is 90-95% (using the same process, rules and service). This indicates that JUUL has 1.) a younger more transient demographic 2.) potentially more underage users trying to purchase product 3.) less users are willing to upload and 4.) are entering data not as accurately as PAX users.

That said, in the past JUUL has had higher pass rates, but over the last year there were two major changes that have decreased the pass rate by 12-19% points:

1. YOB match requirement: in an effort to stop fraud this additional match requirement was introduced and has decreased your pass rate by 5-7% points. (PAX has the same rule and it is not effecting them to this degree).
2. The elimination of multiple attempts: historically, JUUL/PAX/PLOOM has gone back and forth when it comes to allowing users to "try again" with the Veratad data verification service. Right now you are not giving the customer the opportunity to edit or provide a previous address, DOB or the last 4 of their SSN. This has decreased your overall pass rate by 7-12% points.

Adjusting the above two processes could increase your pass rate from 68-72% to 80-89%.

Also, I don't believe that we've ever truly uncovered why only about 50% of users who failed the data process upload a document. Of course this could be because the users that decline to upload are kids or fraudsters, but if at all possible, I would like to work with you to try and figure that out. Perhaps the front end of the document collection process could be improved on our side or changed and we can do an a/b test. Or we can explore new Veratad services that include live chat with a "FaceTime" element for review.

I think that exploring these topics would be a good exercise in the coming weeks and while we are working on the process on your side know that Veratad is adding more data sources and improving our process in a continuous effort to offer our clients the best service and highest pass rates possible.




I'm sure that this is known to most but I wanted to make sure everyone was aware and see if you wanted to have a discussion about it. I believe that these topics would be best handled if you had some time in the next 60 days for me to come out to your office and we could all sit down at a table for a few hours.

Please let me know who I should coordinate this with on the email chain. Thanks everyone!

Best,



 | Director of Strategic Accounts & Client Quality Services



500 Frank W. Burr Blvd | Teaneck | NJ | 07666

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**Juul Labs** 660 Alabama Street, Second Floor, San Francisco, CA 94110

**photo juul labs sig2 zpsb4v2zjvf.jpg**

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# Exhibit 26

## Experience with JUUL

█████ Almost all friends own a Juul in younger grades. Younger kids especially. More common for people a year to two years below. Flavors taste good, high nicotine content. Candy flavors popular among kids.

█████ Saw it in high school with younger students during senior year, that was the first time I saw it, mostly sophomores so two years below. Popular among younger kids. JUUL took the place of previous vapes like the mod, replaced all other vapes with just Juul.

█████ Understand why people use JUUL, don't see the purpose of young people using it because they've never used cigarettes. Friends of mine were chain smokers before using JUUL. Supported by popular culture and meme culture. Kids going straight to JUUL are "poserish."

█████: Introduced to Juul by a younger crowd on social media, this is coming from a 20-something. Smokepurpp, Lil Pump fans introduced me. Introduced by 18-19 year olds.

█████: Introduced at a fraternity party, significant amount of people using JUUL indoors. Mostly freshman in college, kids from high school using the JUUL picked up in the summer of '17. Popular in college environments, can use in a dorm or in between classes.

## Words to describe JUUL

█████ Convenient-small, convenient way to smoke and easy to conceal. Smoke them wherever you want, won't set off detectors.

█████: Millennial, Clout- "with the culture," used by soundcloud rappers, street cred for millennials, JUUL has style/in vogue.

█████: Convenient, in style for younger people, know about the dangers of cigarettes but not JUUL. No one ever talked about these devices to kids.

█████: Contagious-impressionable kids will use it if they see their peers or people they look up to using it. Not as much marketing against JUUL compared to cigarettes.

Harmless-product is associated with being a harmless alternative although it may not actually be harmless.

█████: Addictive, Unknown-people don't know the health risks. No stigma attached. Kids don't know health risks.

█████ Parents and teachers don't know about JUUL making it easy to conceal. Easy for kids to smoke at school without parents knowing.

█████ Trendy-clean logo and packaging, similar to Apple.

## Perceptions of the company

█████ The company markets towards young kids. Similar marketing to iPhone. Skinny, small, rechargeable, portable and very addictive to kids. Very high concentration of nicotine. Kids use JUUL not to quit smoking. People who wouldn't normally smoke cigarettes are smoking at a high nicotine rate. Getting people addicted to nicotine without them realizing.

██████: If they are marketing their product as a cessation they should put less nicotine in the pods. 4/5 kids who started smoking started with flavored tobacco. If JUUL wants to be marketed as a cessation device they should have less nicotine than cigarettes.

██████: Less nicotine in devices. Flavors aimed at children. Flavors entice the youth, creme brulee is enticing to children. Cigarette companies used flavors but they were banned because of evidence that it enticed children to use the product.

██████: JUUL has a good business model. Tobacco companies are one of the best investments. Trendy, addictive, very profitable.

██████: Very profitable but that is not the issue. Known ways to reduce addiction. Higher taxes on nicotine products. If they want to address youth problem they know how it is just how much money they are willing to give up to preserve kids health.

### **Is it beneficial to switch from cigarettes to JUUL?**

██████: Cigarettes are more limited than JUUL. Can't smoke them as easy as JUUL. Stinks up your clothes. Smoking cigarettes increases tobacco time. Not worth it to switch because you will be using much more nicotine with JUUL.

██████: Increases time with nicotine but that is not the only factor. Cigarettes have 2,000 other properties besides nicotine. Unknown because new devices but clear that it is healthier due to ingredients as well as heat. Cigarettes have many other problems JUUL doesn't have. JUUL is better for you. But you can use more.

██████: Would be beneficial to switch with the goal of eventually quitting. If nicotine content was lower or if there was no nicotine it would be better. With nicotine it's just running around in the same circle trying to catch a nicotine buzz.

██████: Doesn't hurt JUUL to decrease the nicotine in devices. Majority of users don't use it quit nicotine, they use it to be cool/fit in. You don't want kids to use it but you could make a JUUL alternative with lower or no nicotine, utilize social media.

### **Response to Slide 6**

██████: They all coincide together to help prevent smoking. If more people are talking and putting in insight it will help. Even if you raise the price people will still smoke. If more people in social media helped it would make it easier.

██████: Taxing the product is not the solution. Kids with money, who are the majority of students using the product, will still buy it. Taxes would just make adults who smoke have to pay more for pods and may revert back to traditional cigarettes.

██████: Have to agree because of all the listed reasons. Money is not the most important thing. Middle/high schools need to implement harsher punishment policies for students caught vaping. Teachers don't care enough about a whiff of nicotine.

██████: People will pay due to addiction. Middle schoolers don't have much money to spend. Won't be able to afford to maintain a nicotine addiction. Many people quit tobacco due to inability to afford it.

██████: Don't think money will help keep people off JUUL. JUUL has a lot of youth focused advertising. Too much advertising on youth marketed social media platforms. More ads about



JUUL on more mature platforms/TV programs, making adults more aware. Social media plays a large role. Celebrities are constantly using JUUL on their social media stories. Models/celebrities describing the negative impact of nicotine on their lives. Adolescents order JUULs online, confirmation is easy. Social media/celebrity outreach could really get to the kids. Tell them to switch to a different JUUL with less nicotine.

**How do you believe adolescents obtain JUUL/What is attractive about JUUL/How can we get them to avoid JUUL**

██████: Order them online, verification is simple. Super easy and discreet to get them online. Convenient/Trendy/Cool/Feels good. Social media influence describing negative effects of nicotine will help keep kids off product, tell them it's bad for their skin, improve age verification on website.

██████: Stricter verification online, kids send JUULs to Amazon lockers so they don't need to show ID. Flavors are attractive to younger kids. Too many different tobacco flavors, very attractive to younger kids. Tobacco cannot be advertised for or against with regards to people under 21. Making the JUUL seem less cool on social media. Make it look harmful and not cool.

██████: Very popular in New York City high schools. A lot of kids are buying JUULs wholesale and dealing them at their high schools.

██████: JUUL is very trendy, best way to deter children is to market to a more adult audience, more adult flavors. Need to show that the JUUL is intended for adults and an adult atmosphere. Market the product in a more adult atmosphere, change the perception to something more adult. Buying JUUL and reselling is very popular at the high school level. The more you tell kids they can't have it the more they want it.

██████: Have mentored kids in low income schools in Berkeley and Oakland. Not prevalent at all in low income areas. More prevalent in high income areas. These are middle school kids.

██████: Younger brother asks me to buy him JUUL pods constantly. Kids pay older students to buy it for them.

██████: Pay other kids to use their vapes or to buy them pods. Pay a premium for a pack of pods.

**Is Juul "cool", if so how can we reduce "cool factor"**

██████: Seeing someone smoking a cigarette is gross. People smoking cigarettes in Silicon Valley is rare. Cigarettes are not cool, JUULs are seen as cool. JUULs are much less gross, much more socially acceptable.

██████: Don't think JUULs are cool. JUULs are juvenile. Cigarettes are cool, they look badass, models in movies use it, counterculture.. Doesn't see people she looks up to vaping. Don't think it looks cool.

██████: Cool factor to it. Popular social media influencers tell their followers to use JUUL. Associating JUUL with potential health risks and addictive qualities. Kids are super impressionable, when celebrities tell them to use it they listen.

██████: Associate JUUL with health risks and addictive quality. Associate JUUL with cigarettes. Revealing the health outcomes of potentially using JUUL and really drive home what the

purpose of the JUUL is. Kids think it's just water and flavor and it's not dangerous. Revealing that JUUL is not simply water vapor with flavoring.

██████: Adults don't know about it, cool because parents don't know about it. Educating parents, adults and teachers about JUUL. Telling them what it looks like and punishing kids for JUULing in class.

██████: A possible software or hardware solution. Create an app that connects with a JUUL and uses age verification to link the JUUL with a phone app. Adds another layer to using the JUUL. Must provide a driver's license to the app which would connect it to, and activate, a JUUL that would be linked to the profile on the app. Authorize specific JUULs to specific people. Would reduce the amount of underage people using it.

██████: Nicotine is very addictive. Terminology includes vaping, JUULing. Vaping is different to me than JUUL when it comes to terminology. Product is different than other vapes that came previously. JUUL evolved from the original vapes. Sleek like the iPhone, which makes it cooler than other vapes. Inform adults, have information in schools. Spread awareness to make kids think they are less cool.

██████: JUUL is used too much in media. Huge national impact. Ad for JUUL in Jumanji, a family movie. Shouldn't have JUULs and people obsessing over JUULs in movies. Character in Jumanji was devastated after losing JUUL.

**Do you agree with this statement? If Juul/e-cigs did not exist these teens who use Juul would be smoking cigarettes instead.**

██████: Disagree, so much successful advertising against cigarettes has been shown in the past few years. Record lows in smoking cigarettes amongst youth have remained although JUUL and vape use has gone up. If JUUL did not exist these kids may go to cigarettes for a nicotine fix. JUUL gets people into cigarettes.

██████: Some people use JUUL instead of cigarette or who use it to get off of cigarettes, many people who use JUUL never would have used cigarettes. There is some conversion but the majority is people only using JUUL.

██████: Interested in seeing sales information about people who use JUUL for cessation/smoking alternative or just for fun/having never have smoked before.

██████: Geography has a lot of importance on this matter. In the midwest many people smoke cigarettes at a young age instead of JUUL. They would still smoke even if there wasn't JUUL.

██████: From the east coast where cigarettes and smoking are much more common, agree with geography analysis. Rare to see people smoking cigarettes in the bay area these days.

### **Social media/peer pressure's role in underage users**

██████: Sponsored content on Snapchat from JUUL, 1-2 sponsored stories every day on Snapchat newsfeed.

██████: Seen ads on Snapchat.

██████████: Memes about JUUL.

██████ Have not seen advertising on Snapchat. Believe

██████ Never seen a JUUL ads

██████████ Never seen JUUL ads.

██████████ Never seen JUUL ads.

██████████: Never seen JUUL ads. JUUL is not actively advertising towards kids, although they are trying to attract young people. Kids are attracted to their advertising campaign. Not trying to attract underage kids they just use it. JUUL is not that upset about young people using it.

██████████: Never seen JUUL ads. Seen articles that seem like they are paid for by JUUL but not openly. Articles about how JUUL needs to stop underage kid problem with the goal of stirring up the pot and making it cooler. Telling kids directly to not use JUUL will not work. Not supposed to market nicotine, ads should not be seen. Social media influencers should make it seem lame.

██████████ Bright, colorful ads with young women seem targeted at a younger audience. Website is more somber, targeted towards older people. Website talks about true mission of JUUL.

Contrast is admitting guilt. Used to advertise to a younger crowd, although not anymore.

██████████: Can't draw the line with what kind of young person you are marketing towards, hard to distinguish marketing between 16-21 year olds. Not directly for it but there is enough difference that the marketing should be changed. Ads using young, attractive people.

### **What is the main thing attracting adolescents to the product?**

██████████: Flavors, such as fruit medley and mint, as well as the sleekness of the product, are attractive to kids. Teenagers smoking cigarettes use to have to febreze themselves before they saw their parents now they can JUUL wherever. Peer pressure and being a part of a circle that uses JUUL are ways kids can begin using the product.

██████████: JUUL is not the only player in the portable vape game, everyone has flavors. . Limited amounts of flavors compared to competitors. Main attraction is branding. JUUL is the Google of vapes, has strong name recognition. All about branding. I have a Suorin and I call it a JUUL because no one knows what it is. Not going to call it a vape. Everyone has flavors that's not what specifically attracts kids.

██████████: Social acceptability and becoming a part of the "in crowd" important factors in adolescents decision to use JUUL. Kids want to be liked and having a JUUL or using one is an easy way to validate yourself and seem cool. Young people are very concerned with their image and the group they associate with, JUUL is attractive to them for these reasons. Fun, tastes good.

██████████: Fitting in and peer acceptance. More other people do it the more you will do it. Everyone wants to fit in at that age so of course they will participate. Easier to go along with it then be the one person not doing it.

██████████ Pods are better for environment than throwing away a cigarette and looks like less nicotine than a cigarette. More convenient, can throw away, don't want to febreze after you smoke. Can throw in the trash without worrying.

██████████ Disposable doesn't make kids want it but it is easier and you won't be caught if you throw it away, don't want to febreze yourself. Throw it in the trash before you get caught.

██████: Ask high schoolers what attracts them to the product. Interesting to hear the perspective of someone trying to hide their smoking.

**Single most important factor attracting kids to JUUL? What does the JUUL represent to middle/high school students?**

██████: Nicotine is the best part and only factor.

██████: Flavors

██████: Flavors

██████: Social Acceptance between peers as well as everyone else in the world.

██████: Social Acceptance to start, addiction to nicotine keeps them. Better than smoking tobacco out of the bong with marijuana, a popular way to smoke in Southern California. Bong hits screw up your lungs and make you feel bad, JUUL is an easier way to get that rush.

██████: Social to start, nicotine to stay. Creates an addiction due to high nicotine.

██████: Flavors play a massive role in creating addiction. Youth Advisory is a good first step, original intention was to get as many people as possible, especially in their 20s, with non discriminatory advertising.

██████: Something to do. Kids like to sneak out of class, goofing around, experimenting.

██████: Convenience, no smell, concealable, chargeable, portable, easy to use in class or during breaks. Packaging, parents don't know about it.

██████: Kids going into bathroom and taking breaks to use app HQ. Advertising on app HQ to get into that demographic and tell them not to use JUUL.

██████: Represents a new way to hangout and relate to friends. Get into a social group. Similar to sharing a lunch. Sharing JUUL brings people together.

██████: New way to make friends. Symbolism of friendships. The person who has the JUUL is popular

██████: Notice JUUL in more affluent communities. Shows people they have to access to money to buy pods on a regular basis. Represents wealth.

██████: Makes adolescents feel more adult/independent. People ask kids how they got it and it makes them feel special.

██████: Feel like an adult, create friendships. Kids want to experiment this will be kids first mind altering substance, something that is considered cool and adult.

**Is this a fad? Will adolescents find something new or is this here to last.**

██████: Totally depends on what JUUL decides to do. They have the market, people know their name, a lot of power associated with that. If they want to continue to expand and keep kids addicted to nicotine it won't be a fad due to the addiction it causes. If they try to shift towards adults who are trying to get off smoking it may be a fad and it may become less cool and socially desirable. Kids don't want to associate with mid 30's people trying to quit smoking.

██████: Don't see how it could be a fad because of the addictive nature of nicotine. This was a problem years ago and now people in the older generations are addicted to nicotine. Tobacco industry has found a way to market their nicotine product to kids without using cigarettes. Kids will be addicted for their whole lives.



██████: Nicotine itself is not a fad but the trend of vapes and pens may be a fad/just a trendy thing. It comes down to JUUL as a company and what they decide to do and how they decide to market the product. Nicotine won't change.

██████: JUUL and nicotine are both fads due to the legalization of weed. People will switch from nicotine to weed. As weed grows nicotine will fade. So many ways to use weed and people who are addicted to the feeling of getting high will switch from nicotine to weed.

██████: Can't see the effects of JUUL yet. We don't know if it's healthy yet, that will determine if it lasts or is a fad. Could cause cancer, not sure yet. If it causes cancer it is another terrible product introduced to society. If it's even close to cigarettes it's a bad thing. Hope it provides a benefit.

██████: Many older people don't know about JUUL. JUUL should advertise more towards that demographic. JUUL advertises itself through word of mouth. Never seen JUUL ads. Kids would use it even without ads. Advertise to the older demographic.

### **Who do you think is the target audience for JUUL?**

██████: Anybody willing to pay for JUUL. All ages.

██████: Anybody who will pay for JUUL. Similar to tech companies, try to sell the product to as many people as possible. Move fast and break things, clean up mess afterwards. Essentially the product is marketed towards human beings/everyone.

██████: Sophomores in high school to 30 year olds. Don't see it being used for cessation, mostly targeted towards young people. Most people using the JUUL are young people not smokers.

██████: 16 year olds, not intentionally but JUUL doesn't care.

██████: Young people, new sexy thing to use and sell nicotine.

██████: College students, impossible to walk across campus without seeing JUULs. JUULs will be at any college party or apartment.

██████: Juniors and seniors in high school. People going into college. Maybe not intentionally but the marketing is towards young people and the high school kids will notice that the older kids are doing it and it makes them want to do it.

██████: Tech savvy 20 somethings. Product took off with kids and they rolled with it because kids have a lot of money to spend. Not maliciously targeted towards kids but kids enjoy it and now it is a cultural thing.

██████: High school kids. Way more pressure to be cool in highschool and maintain a certain image amongst peers.

██████: High school kids. Easy disguisable, looks like a USB. Not much of a risk, they don't smell like anything. The product is very marketable. Aware of how marketable it is to kids.

██████: 20+ people addicted to cigarettes, useful but it spread to kids and JUUL doesn't particularly mind. Kids will use JUUL like they will use their parents iphones.

██████: High school and middle school students, minors in general.

### **How to market the product to a 21+ audience?**

██████: Cigarettes/nicotine are cool among the "anti" crowd. They smoke because its not considered cool anymore in popular culture and the socially unacceptable thing to do. These people may or may not be attracted to JUUL. JUUL has to market itself as a tool to stop smoking, then it will attract itself to an older audience. Most people don't know the intended uses of JUUL and that it is intended for switching from smoking.

██████: Celebrities on talk shows talking about the actual intended use of JUUL. Advertise on programs and shows that people from an older generation watch. Advertise as a product for people who are genuinely trying to quit nicotine.

██████: No one buys nicorette gum because it tastes good or is cool, they buy it because they want to quit nicotine. Do similar advertising to nicorette gum.

MAX: 21+ concerts and events. Bands from the 70s and 60s. Target blue collar people because they are more likely to smoke cigarettes already and would use the JUUL to quit. NASCAR.

██████: Advertising at a concert may attract the product more towards youth and make it seem cooler.

██████: Advertising at 21+ rock concerts or concerts with music that appeals to an older audience.

██████: Advertisements for cessation devices don't try to make their product cool because no one wants to be addicted to nicotine. Putting out advertisements that make it seem cool is not the correct approach. No one wants to be addicted to nicotine. Not to shame people, if you have to use nicotine this is the best way.

██████: Pair with bars and 21+ venues. Clean health and air initiative. Pair it with drinking.

██████: Smoking is illegal in bars but JUULing is not. Smoke free bars that are open to people using JUUL.

██████: Talk shows that appeal to an older audience. Have older celebrities that older people respect talk about their experience quitting cigarettes and switching to the JUUL. Celebrities that young people wouldn't necessarily know/look up to. Someone who old people know.

### **Are flavors attractive to older smokers?**

██████: Depending on the goal of the smoker, if all they want is to quit flavors won't hurt, although flavors won't be what gets people to quit.

██████: If people already smoke they don't need flavors to attract them away, they already like nicotine they don't need flavors to get them to use it.

██████: Not much more convenient than gum. If someone is already addicted to smoking the flavors aren't going to be what makes them switch. When you have to charge the device it may turn away adults because they have to take a further step towards using technology in their lives.

██████: Flavors help attract older people to switch, but only flavors that would be attractive to an older generation such as Virginia Tobacco but not Mago.

██████: Don't care about flavors only the nicotine. Older generation are too set in their ways and don't want to be constantly buying new JUUL pods.

Older smokers smell like cigarettes and JUUL doesn't smell.

Flavors attract kids more than adults. If you've been smoking cigarettes for 30 years the flavors will attract everyone, kids more, portability attracts everyone. Attracts kids more, convenience attracts older smokers.

Adults have a mentality where they aren't interested in tech products. They have the mentality of wanting to use things they are used to and not the coolest sleekest tech product. They just want a convenient way to use nicotine.

Don't think it will make them want to quit cigarettes unless they already have that motivation.

### **Have you seen counterfeit JUULs or pods?**

In NYC many people on the street sell fake pods or offer to fill up pods. Happens in Hong Kong, counterfeit JUULs and pods are huge in China. Don't advertise them as JUULs but they look just like them and are sketchier.

: Haven't seen fake JUUL pods sold, however, lots of people refill their JUUL pods. JUUL gets the most heat by the media due to being the biggest most recognized nicotine vape company, other brands on the market have more flavors and market more shamelessly towards underage smokers.

### **In what ways do you think the current JUUL marketing influence students to use the product?**

Can't market anti tobacco or pro tobacco to anyone under 21. Can't market JUUL to kids or even to tell kids not to use it. Both are illegal. Market to parents instead to educate their kids on the JUUL.

JUUL ads are rare and not targeted towards kids, when they have ads such as on the website they're very generic. Kids just like the product, the advertising does not contribute that much to kids using the product.

Kids want to feel older and more mature. Ads with young adults using JUUL will attract kids.

### **Suggestions about Odell Curriculum**

Critical thinking and applying logic. How you intend to bring anti-nicotine into this.

: Curriculum seems boring. Series of conversations as opposed to a few weeks of reading material leading up to an essay. Conversation is more collaborative. Essays are more inwardly reflective, not as effective. Conversation we have had tonight was very productive in learning new knowledge and could help kids learn more about nicotine. Just giving kids documents to read would not be effective because students simply would not read them.

Talk about the lack of research and evidence with the students. People don't truly know the actual dangers of nicotine as a solo compound without the rest of tobacco. Isolated nicotine isn't carcinogenic or bad for your brain. There is evidence that wouldn't lead kids away from JUUL. It should be shown that there is ignorance on this subject.

██████████ Tobacco and nicotine are very dangerous. Decades of cigarette use prove this.

██████████: Warning labels are a necessity. Nicotine is not proven to be dangerous on its own. The other things found in cigarettes have been proven to be more dangerous.

██████████ Something that is more engaging than this curriculum. Kids make their ads or projects, something engaging. Social media should be involved. The essays will not be engaging to young students.

██████████ More social presence. Don't want it to feel like forced homework or they will not pay attention to the subject matter. Open discussion. Similar to this conversation we have had tonight where kids can talk through their opinions and beliefs.

██████████: Seeing images of people suffering from nicotine related diseases could affect the kids. Bring in a battered nicotine addict. Bankrupt from buying cigarettes or JUULs and describe to them how damaging nicotine has been to their life. With teens you need to scare them.

██████████ Kids don't think about being unhealthy in the future. They don't think about being unhealthy in 30 or 40 years they think in terms of the present. Some scare tactics would work but showing them an older person wouldn't resonate with them.

██████████ Scare tactics won't work super well. They will to some extent but not super well. Have people the students look up to say it's embarrassing and not cool to use the JUUL because it shows that they are addicted to nicotine. Makes JUUL less cool.

██████████ In NYC JUUL is extremely prevalent, there is even JUUL support school. Advertise highly in NYC. People in NYC steal JUULs.

██████████ JUUL is a joke at UC Berkeley, very lame and people with JUULs are considered to be tools. More people smoke cigarettes than JUUL there.



# Exhibit 27

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**From:** Julie Henderson on behalf of Julie Henderson <[REDACTED]>  
**To:** [REDACTED]  
**Sent:** 6/6/2018 7:12:58 AM  
**Subject:** Fwd: FW: E-cigarette company JUUL may be trying to get into your school

CATCH Global Foundation supports TFK and the Catch Curricula -

Note that we reached out to TFK and Truth when I first joined JUUL in January. They never responded but rather mobilized a strong campaign against us immediately which is ongoing.

**From:** CATCH Global Foundation <[REDACTED]>  
**Sent:** Thursday, May 24, 2018 5:01 AM  
**To:** [REDACTED]  
**Subject:** E-cigarette company JUUL may be trying to get into your school

Administrators, teachers, and parents beware

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# ACTION ALERT

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Administrators, teachers, and parents beware:  
E-cigarette companies may be trying  
to get into your school.

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**What is Juul?**

The makers of JUUL have approached schools, sometimes through consultants who may not identify their relationship to the company, with financial incentives to teach their industry-sponsored “mindfulness” e-cigarette prevention program.

- Consider the source: Tobacco industry-made youth programs have historically been ineffective at best and might even encourage tobacco use.

#### Why is JUUL so popular with kids?

- The FDA recently sent a letter to JUUL Labs asking them to turn over internal documents about their marketing research and practices to determine whether the company is intentionally targeting kids.

#### Are parents okay with schools accepting tobacco money?

- E-cigarettes contain nicotine and are tobacco products. Companies selling such products do not belong in schools, and may in fact be prohibited by your state laws or district policies.

We are sending this notice together with our fellow *Be The First* partner organizations, as part of our joint commitment to deliver the first tobacco-free generation. Visit the *Be The First* website to learn more about youth e-cigarette prevention, including access to free school-based programs.

[Forward this email](#)

Thank you,

**CATCH Global Foundation  
Campaign for Tobacco-Free Kids  
Tobacco Prevention Toolkit  
play2PREVENT Lab at the Yale Center for Health & Learning Games**

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Austin, TX | 78754 US

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--

**Julie Henderson**

Juul Labs - 560 20th Street, San Francisco, CA 94107

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# Exhibit 28

# YOUTH PREVENTION PROGRAMS by Type and Purpose

Type of Program	Name of JUUL's Program	Intended Purpose(s)	Possible Misinterpretations	Big Tobacco - sponsored Programs (1980 - 2000)
Youth Education	Introductory Intervention Curriculum Pilot (Intro - 3 hr pilot)	Educate youth of the health affects of nicotine on the developing adolescent brain & body;	Generates good PR;	"Right Decisions, Right Now" (RJR, 1991)
	HS & MS Intervention Curricula ( 10-21 hr ELA units)	Provide self-efficacy strategies for addressing peer influences	Builds alliances w/educators & school law enforcement;	"Juveniles Should Not Smoke" (Finland, 1992)
	Prevention Curricula Grades 6-12 10-22 hr units embedded in ELA/SS	Provide non-substance alternatives to addressing teen stresses	Marginalizes extant health education and abuse prevention educational programs;	"Smoking Can Wait" (Russia, 1994-1995)
	PSAs - media campaigns (incl social media)	<i>Identify &amp; replicate/scale most effective prevention program(s) &amp; approaches; Ultimate goal is to reduce youth use down to below the lowest levels of youth smokers</i>	De-rails regulation  Collects data on youth for marketing purposes	MTV Campaign

Type of Program	Name of JUUL's Program	Intended Purpose(s)	Possible Misinterpretations	Big Tobacco - sponsored Programs (1980 - 2000)
<b>Adult Education (Parents, Educators, School Resource Officers, Counselors)</b>	Community Conversations/Town Hall Meetings  Professional Development Workshops for Teachers, Administrators & SROs (1/2 day to 1 full day)	Inform adult communities of vaping trends in general, including types of systems, products used widely by youth, potential hazards (w/counterfeit products), ways students may try to conceal and use, known health affects, additional research needed (and its status - if we're in the process of conducting)	Generates good PR;  Builds alliances w/educators & parents;  Marginalizes and/or discredits extant health education programs & agencies  De-rails regulation	"Responsible Living Program" (Tobacco Institute) which included "Helping Youth Decide" (Tobacco Institute, 1984) and "Helping Youth Say No" (Tobacco Institute, 1990 and Phillip Morris, 1994).
<b>Retailer- and E-commerce targeted programs</b>	Secret Shopper  WeCard  Talisman Take-Downs  Social Media Monitoring & Take-Downs	Identify non-compliant sources & eliminate their access to product  Identify unauthorized marketing (usually by youth) on social media sites & engage FDA's assistance in enforcing take-downs	Generates good PR;  Implies age and the law are the only reasons underage youth should not use JUUL/vape;  Undermines FDA &/or local jurisdiction's attempts to regulate age	"Action Against Access" (Phillip Morris, 1995)  "We Card" (Coalition for Responsible Tobacco Retailing)  "It's the Law" (Tobacco Institute, 1990; Phillip Morris, 1994)

Type of Program	Name of JUUL's Program	Intended Purpose(s)	Possible Misinterpretations	Big Tobacco - sponsored Programs (1980 - 2000)
			restrictions	"Support the Law" (RJReynolds, 1992)
<b>Third-party Supports</b>	"JUUL" 501(c)(3) Foundation  Introductory Intervention Pilot Curriculum	Partner with youth- focused organizations to educate youth on dangers of nicotine  Identify & fund exemplary and promising prevention programs (e.g. existing & proposed health education programs)	Attempts to use 3rd parties as mouthpieces & gain legitimacy  Builds alliances w/reputable youth groups	4-H "Health Rocks"  US Junior Chamber of Commerce partnership  Partnered w/National Association of State Boards of Education (& used president for media tours0  Sought alliances w/scouts; YMCA/YWCA, Boys &



Type of Program	Name of JUUL's Program	Intended Purpose(s)	Possible Misinterpretations	Big Tobacco - sponsored Programs (1980 - 2000)
				Girls Clubs, Jr Achievement

# Exhibit 29

---

**From:** Julie Henderson on behalf of Julie Henderson <[REDACTED]>  
**To:** Bruce Harter  
**CC:** [REDACTED]  
**Sent:** 5/23/2018 6:37:09 AM  
**Subject:** Re: Hold on reaching out to schools

Hi Bruce,

Please don't cancel. Keep the meetings already scheduled but hold onto the 20 flyers you were about to send unless they're going to folks that have responded positively. If they're slated for folks you've contacted but have not engaged with us, hold onto them for now.

We'll plan next steps when we talk.

Thanks for confirming.

On Wed, May 23, 2018 at 6:25 AM, Bruce Harter <[REDACTED]> wrote:

Julie,

I have two meetings scheduled in June. Should I cancel these?

Should we hold off on sending flyers out to our previous contacts? I have 20 that I was going to send out on Friday so school staff would have when they returned from the Memorial Day weekend.

Thanks

Bruce

---

**From:** Julie Henderson <[REDACTED]>  
**Sent:** Wednesday, May 23, 2018 5:58 AM  
**To:** Bruce Harter <[REDACTED]>  
**Subject:** Hold on reaching out to schools

Good morning,

Ashley has requested that we hold off on any new outreach efforts to schools.

This came after a meeting she had with an NYU professor who's supportive of JUUL's efforts to eliminate cigarettes but against our YP programs & efforts because of Big Tobacco's use of education as a marketing tool. The

professor/advisor argues that we could potentially harm JUUL's future as a company because our ed programs are being viewed, confused & conflated with those employed by Big Tobacco.

At present, she's ok with our continuing to respond to and work with the schools we've already contacted. We're just taking a momentary step back to reflect and strategize ways to ensure we're no longer confused with Big Tobacco in our efforts going forward.

Let's discuss in our next meeting. I may have jury duty next week but could do a conference call. Please let me know your availability.

Thanks!

--

Julie Henderson

Juul Labs 560 20th Street, San Francisco, CA 94107

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--

Julie Henderson

Juul Labs 560 20th Street, San Francisco, CA 94107

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# Exhibit 30

**From:** Bruce Harter  
**To:** [REDACTED]  
**Bcc:** [REDACTED]  
**Subject:** Follow UP to Yesterday's TEROC Meeting  
**Date:** Wednesday, February 7, 2018 6:55:00 AM  
**Attachments:** [HartersStory.pdf](#)

---

Dr. [REDACTED] and [REDACTED] members,

Thanks for much for allowing me a couple of minutes to explain JUUL Lab's approach to harm reduction and to share a little about the Saturday School curriculum my partner and I have developed to give schools an alternative to suspension and other punitive discipline.

What I didn't mention was that by the end of next month, JUUL will be piloting a device that will not only disable JUUL products in schools but also notify the administrators where and when they are being used. This means that once disabled, the device won't work at all – not at school and not anywhere else. JUUL anticipates that the new devices will be ready to use during next school year. I've never heard of a company that would disable its own products to keep them away from underage users. While this might drive students to using other products, it will also put enormous pressure on other companies to do what JUUL is doing.

California Schools will lose two significant interventions if JUUL is not allowed to work with schools. First a Saturday School alternative that focuses on intervention rather than punishment. Second, the opportunity to have JUUL install devices that will disable JUULs in schools.

I would also hope that you would see that harm reduction can be step on the end game path. A good explanation for that approach is in the twitter video from [Public Health England](#) where the UK's FDA equivalent is much farther along in recognizing e-cigarettes.

Finally, because people I respect have challenged my integrity for working with JUUL, I've written about how I went from cynicism to believing in JUUL as a socially responsible company dedicated to saving lives through harm reduction. That statement is attached.

Thanks for your consideration. I'd be happy to meet with you as part of [REDACTED] with you personally, or with other groups that are committed to this effort.

Thanks  
Bruce Harter

I started out from a place of cynicism, seeing e-cigarettes as part of big tobacco and thinking that JUUL's only intention was to shed some of the heat it was getting in the press. But because I'd worked with the communications firm that contacted me and believed in the integrity of the staff I'd worked with, I agreed to meet with JUUL and invited my former Associate Superintendent Wendell Greer to join us. In that meeting, I learned enough to move from cynicism to skepticism.

- JUUL is the only major e-cigarette maker that is **not** in any way affiliated with the tobacco industry.
- The company came into being as a result of the two founders being smokers. They recognized themselves as part of the 70% of cigarette smokers who wanted to quit *and* on the path of joining the 480,000 Americans who die each year from smoking.
- JUUL is about harm reduction. JUUL e-cigarettes, while addictive, are much less harmful than tobacco cigarettes. People who use JUULs instead of regular cigarettes will live longer.
- JUUL is actively engaged in keeping its products from those under 21 by employing secret shoppers who report merchants who sell to teens, by monitoring Craig's list and other similar on-line sales outlet for individual selling without age verification, and by having a highly sophisticated age-verification system that while not foolproof is highly effective.

Even after the first meeting with JUUL, my experience told me that big companies liked to invest small amounts of money in socially responsible practices to showcase themselves in their advertising campaigns. However, since we were skeptical and no longer cynical, Wendell and I agreed to a second meeting.

At that meeting the company's CEO joined us along with the lead technical team and two member of the corporation's board of directors. They wanted Wendell's and my reaction to technological interventions that they were designing. By the end of next month, JUUL will be piloting a device that will not only disable JUUL products in schools but also notify the administrators where and when they are being used. This means that once disabled, the device won't work at all – not at school and not anywhere else. JUUL anticipates that the new devices will be ready to use during next school year. I've never heard of a company that would disable its own products to keep them away from underage users. While this might drive students to using other products, it will also put enormous pressure on other companies to do what JUUL is doing. The CEO, Kevin Burns, who was only in his second day on the job, told us that youth prevention was the top priority for the entire board of directors and addressing the underage use problem was one of the reasons that he was hired.

Because e-cigarettes are so easy to use at school and keep out of sight from school staff, the principals I've been meeting with are thrilled with the promise of a technological intervention –disabling the JUULs. They're also eager to have the alternative discipline program because they know that traditional discipline is only addressing the symptoms and not the underlying cause. They also know that while not all teens will respond affirmatively to the information about brain development and the speed with which teenagers become addicted, that many will. Others will become less likely to be influenced by their peers and many will respond positively to the introduction to mindfulness.

One of the key concerns about JUUL arises when people make assumptions about JUUL's use of flavors and its marketing strategies. Here's a brief synopsis of JUUL's approach to each.

***Flavors are an important factor in getting adult smokers to switch***

- *Flavors appear to be an important factor in encouraging adult smokers to switch completely, i.e., no dual usage.*
- *We are focused on expanding flavors carefully/responsibly so that we can meet the preferences and needs of adult smokers interested in finding an alternative to cigarettes.*
- *Our data show that flavors do play an important role in helping adult smokers permanently switch from cigarettes to JUUL without dual usage. At this point we don't fully understand the reasons why. However we are committed to conducting further scientific research.*
- *We are committed to avoiding youth-oriented flavors or marketing/branding that appeals to young people.*

***JUUL currently is highly limited in its marketing efforts. We market our products responsibly and follows strict guidelines so that material is exclusively directed towards adult smokers and never to youth audiences.***

- *Our marketing does not feature images or situations intended for a youth audience.*
  - *Our campaigns depict models that are age 35+.*
  - *JUUL does not use cartoons, caricatures or other designs aimed at attracting minors.*
- *We ensure that any marketing events are centered around a mature demographic and are restricted to those to those 21+ in age.*

Both my grandfathers and my favorite uncle all died from smoking cigarettes. One of my best friends from high school died of smoking-related lung cancer. So I'm a believer in harm reduction. Harm reduction is a good thing. We buy hybrid cars to reduce our carbon footprint. Addicted adult smokers will live longer if they switch exclusively to JUULs.

On the prevention side, JUUL isn't looking for advertising campaign material by proactively taking the pilot program into schools. They're not going to copyright the curriculum, or have students wear JUUL t-shirts like other corporate sponsors do. They're willing to spend a great deal of money working with schools and parents to prevent students from ever using e-cigarettes and marijuana.

I now believe that JUUL is a socially responsible company dedicated to preventing pain and suffering to families who lose a loved one to smoking related deaths and reduce to cost to society in lost human potential and medical expenses.

Bruce Harter



# Exhibit 31

---

**From:** Julie Henderson on behalf of Julie Henderson <[REDACTED]>  
**To:** [REDACTED]  
**Sent:** 4/9/2018 9:41:47 AM  
**Subject:** Re: what vape detectors are actually out there?

Thanks. Calling in a couple of minutes.

On Mon, Apr 9, 2018 at 9:28 AM, [REDACTED] > wrote:

On Mon, Apr 9, 2018 at 9:27 AM, Julie Henderson <[REDACTED]> wrote:  
Working remotely so I can get some curriculum research done. What's a number where I can call you?

On Apr 9, 2018, at 9:25 AM, [REDACTED] > wrote:

Bringing partnership into this is going to get complicated and will slow us down.

If it's a real product, I want one to test : )

Are you in the office today so we can talk?

[REDACTED]

On Mon, Apr 9, 2018 at 9:16 AM, Julie Henderson <[REDACTED]> wrote:  
Yes - the product's very real.

The vape detector learns the environment and acclimates to it such that any changes/anomalies to moisture content in the air immediately alert administrators in real time for action.

[REDACTED] didn't share which schools are purchasing/have purchased it, nor did he give me info on how/if we could buy it when asked directly. He's more interested in discussing collaboration which, though I think could be helpful - still doesn't get us the product which is why I'm looking for alternative ways to access it.

On Mon, Apr 9, 2018 at 8:58 AM, [REDACTED] > wrote:  
A short summary would be great:  
Is their product real? Does it work? Can we buy it?

[REDACTED]

On Mon, Apr 9, 2018 at 8:55 AM, Julie Henderson <[REDACTED]> wrote:  
Hi [REDACTED],

Just had a good conversation with [REDACTED] VP of Marketing for Soter Technologies (aka FlySense & Digital Fly). He's sending me additional info and is interested in partnering with us. I'll forward what he sends and we can go from there.

I'm reaching out to a couple of schools to see if any of them have purchased/are purchasing this product in the hope they'd be willing to share one with us. I'll keep you posted.

Thanks.

On Tue, Apr 3, 2018 at 10:46 AM, [REDACTED] wrote:  
Julie-

Reading lots of articles about  
a) vape detectors existing and  
b) schools buying vape detectors

Right now it's unclear to me if effective vape detectors are real (I hope they are, sounds like a great part of the youth prevention toolbox!). One that many of these articles refer to is called Fly Sense. The company's website looks fly-by-night, and you can't buy the device on the website.

**Two questions for you:**

- 1) Can you reach out to schools and ask them specifically what vape detectors they are buying? I'd love to get a hold of them for testing.
- 2) Can you reach out to the fly sense people and build a relationship that would allow us to test their device? I'm apprehensive about doing this myself for fear that my interest might be purposefully misconstrued by the company / media. I think your role and title would be helpful here.  
<https://www.digitalfly.net/flysense>

Thanks,

[REDACTED]

--

[REDACTED]  
Juul Labs 560 20th Street, San Francisco, CA 94107

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--

Julie Henderson

Juul Labs 560 20th Street, San Francisco, CA 94107

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--

[REDACTED]  
Juul Labs 560 20th Street, San Francisco, CA 94107

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# Exhibit 32

## **PARTNERSHIP AGREEMENT**

**THIS PARTNERSHIP AGREEMENT** (the "Agreement") made and entered into this 1st day of February, 2020 (the "Execution Date"),

### **AMONGST:**

Nick Minas Alfaro of [REDACTED],  
Patrick Beltran of [REDACTED], and  
Saqib Shoaib of [REDACTED]  
(individually the "Partner" and collectively the "Partners").

### **BACKGROUND:**

- A. The Partners wish to associate themselves as partners in business.
- B. This Agreement sets out the terms and conditions that govern the Partners within the Partnership.

**IN CONSIDERATION OF** and as a condition of the Partners entering into this Agreement and other valuable consideration, the receipt and sufficiency of which consideration is acknowledged, the parties to this Agreement agree as follows:

#### **Formation**

1. By this Agreement the Partners enter into a general partnership (the "Partnership") in accordance with the laws of The State of California. The rights and obligations of the Partners will be as as stated in the applicable legislation of The State of California (the 'Act') except as otherwise provided in this Agreement.

#### **Name**

2. The firm name of the Partnership will be: Puff inc.

#### **Purpose**

3. The purpose of the Partnership will be: [www.PuffBar.com](http://www.PuffBar.com).

#### **Term**

4. The Partnership will begin on February 1st, 2020 and will continue until terminated as provided in this Agreement.



**Place of Business**

5. The principal office of the business of the Partnership will be located at 1001 N Verdugo Rd, #11001, Glendale, CA 91226 or such other place as the Partners may from time to time designate.

**Capital Contributions**

6. Each of the Partners has contributed to the capital of the Partnership, in cash or property in agreed upon value, as follows (the "Capital Contribution"):

Partner	Contribution Description	Agreed Value
Nick Minas Alfaro	www.PuffBar.com	\$100000 USD
Patrick Beltran	www.PuffBar.com	\$100000 USD
Saquib Shoaib	Puff related product, capital, and financial support  IP	\$200000 USD

7. All Partners will contribute their respective Capital Contributions fully and on time.

**Withdrawal of Capital**

8. No Partner will withdraw any portion of their Capital Contribution without the express written consent of the remaining Partners.

**Additional Capital**

9. Capital Contributions may be amended from time to time, according to the requirements of the Partnership provided that the interests of the Partners are not affected, except with the unanimous consent of the Partners. No Partner will be required to make Additional Capital Contributions. Whenever additional capital is determined to be required and an individual Partner is unwilling or unable to meet the additional contribution requirement within a reasonable period, as required by Partnership business obligations, remaining Partners may contribute in proportion to their existing Capital Contributions to resolve the amount in default. In such case the allocation of profits or losses among all the Partners will be adjusted to reflect the aggregate change in Capital Contributions by the Partners.

10. Any advance of money to the Partnership by any Partner in excess of the amounts provided for in this Agreement or subsequently agreed to as Additional Capital Contribution will be deemed a debt owed by the Partnership and not an increase in Capital Contribution of the Partner. This liability will be repaid with interest at rates and times to be determined by a majority of the Partners within the limits of what is required or permitted in the Act. This liability will not entitle the lending Partner to any increased share of the Partnership's profits nor to a greater voting power. Such debts may have preference or priority over any other payments to Partners as may be determined by a majority of the Partners.

**Capital Accounts**

11. An individual capital account (the "Capital Accounts") will be maintained for each Partner and their Initial Capital Contribution will be credited to this account. Any Additional Capital Contributions made by any Partner will be credited to that Partner's individual Capital Account.

**Interest on Capital**

12. No borrowing charge or loan interest will be due or payable to any Partner on their agreed Capital Contribution inclusive of any agreed Additional Capital Contributions.

**Financial Decisions**

13. Decisions regarding the distribution of profits, allocation of losses, and the requirement for Additional Capital Contributions as well as all other financial matters will be decided by a unanimous vote of the Partners.

**Profit and Loss**

14. Subject to the other provisions of this Agreement, the net profits and losses of the Partnership, for both accounting and tax purposes, will accrue to and be borne by the Partners according to the following schedule (the "Profit and Loss Distribution"):

<b>PARTNER</b>	<b>PROFIT/LOSS PERCENT</b>
Nick Minas Alfaro	20%
Patrick Beltran	20%
Saquib Shoaib	60%

**Compensation for Services Rendered**

15. Partners may be compensated for services actually rendered as from time to time may be agreed by unanimous consent of the Partners.

**Books of Account**

16. Accurate and complete books of account of the transactions of the Partnership will be kept in accordance with generally accepted accounting principles (GAAP) and at all reasonable times will be available and open to inspection and examination by any Partner. The books and records of the Partnership will reflect all the Partnership's transactions and will be appropriate and adequate for the business conducted by the Partnership.

**Annual Report**

17. As soon as practicable after the close of each fiscal year, the Partnership will furnish to each Partner an annual report showing a full and complete account of the condition of the Partnership. This report will consist of at least the following documents:
- a. a statement of all information as will be necessary for the preparation of each Partner's income or other tax returns;
  - b. a copy of the Partnership's federal income tax returns for that fiscal year;
  - c. supporting income statement;
  - d. a balance sheet;
  - e. a cash flow statement;
  - f. a breakdown of the profit and loss attributable to each Partner; and
  - g. any additional information that the Partners may require.

**Banking and Partnership Funds**

18. The funds of the Partnership will be placed in such investments and banking accounts as will be designated by the Partners. Partnership funds will be held in the name of the Partnership and will not be commingled with those of any other person or entity.

**Fiscal Year**

19. The fiscal year will end on the 31st day of December of each year.

**Audit**

20. Any of the Partners will have the right to request an audit of the Partnership books. The cost of the audit will be borne by the Partnership. The audit will be performed by an accounting firm acceptable to all the Partners. Not more than one (1) audit will be required by any or all of the Partners for any fiscal year.

**Management**

21. All the Partners will be consulted and the advice and opinions of the Partners will be obtained as much as is practicable. However, the Managing Partner will have management and control of the day-to-day business of the Partnership for the purposes stated in this Agreement. All matters outside the day-to-day business of the Partnership will be decided by the managing partners listed below.
22. Nick Minas Alfaro and Patrick Beltran will be the Managing Partners. The term "Managing Partners" will also include any party subsequently appointed to that role.
23. In addition to day-to-day management tasks, the Managing Partner's duties will include keeping, or causing to be kept, full and accurate business records for the Partnership according to generally accepted accounting principles (GAAP) and overseeing the preparation of any reports considered reasonably necessary to keep the Partners informed of the business performance of the Partnership.
24. A Managing Partner can voluntarily withdraw from the position of Managing Partner or can be replaced by a unanimous vote of the remaining Partners. In the event of a withdrawal or removal of the Managing Partner from the position of Managing Partner or from the Partnership, the remaining Partners will have equal rights in the management of the Partnership until they appoint a successor Managing Partner.
25. The Managing Partner will not be liable to the remaining Partners for any action or failure to act resulting in loss or harm to the Partnership except in the case of gross negligence or willful misconduct.

**Contract Binding Authority**

26. Each Partner will have authority to bind the Partnership in contract.

### **Tax Elections**

27. The Partnership will elect out of the application of Chapter 63 Subchapter C of the Internal Revenue Code of 1986 ("the Tax Rules"), in each taxable year in which it is eligible to do so in accordance with Section 6221(b), by making that election in a timely filed return for such taxable year disclosing the name and taxpayer identification number of each Partner.

### **Meetings**

28. Regular meetings of the Partners will be held monthly.

29. Any Partner can call a special meeting to resolve issues that require a vote, as indicated by this Agreement, by providing all Partners with reasonable notice. In the case of a special vote, the meeting will be restricted to the specific purpose for which the meeting was held.

30. All meetings will be held at a time and in a location that is reasonable, convenient and practical considering the situation of all Partners.

### **Admitting a New Partner**

31. A new Partner may only be admitted to the Partnership with a unanimous vote of the existing Partners, except in the case of a prospective partner, the admission of which would render the Partnership ineligible to elect out of the application of the Tax Rules, in which case a unanimous vote of the existing Partners will be required to admit that partner.

32. Any new Partner agrees to be bound by all the covenants, terms, and conditions of this Agreement, inclusive of all current and future amendments. Further, a new Partner will execute such documents as are needed to effect the admission of the new Partner. Any new Partner will receive such business interest in the Partnership as determined by a unanimous decision of the other Partners.

### **Transfer of Partnership Interest**

33. A Partner may assign their distribution interest in the Partnership and its assets provided that, where the acquisition of the interest by the prospective partner will render the Partnership ineligible to elect out of the application of the Tax Rules, the assigning Partner must first obtain the unanimous consent of the remaining Partners. This transfer will only include that Partner's



economic rights and interests and will not include any other rights of that Partner nor will it include an automatic admission as a Partner of the Partnership or the right to exercise any management or voting interests. A Partner who assigns any or all of their partnership interest to any third party will relinquish their status as Partner including all management and voting rights. Assignment of Partner status, under this clause, including any management and voting interests, will require the consent of all the remaining Partners.

#### **Voluntary Withdrawal of a Partner**

34. Any Partner will have the right to voluntarily withdraw from the Partnership at any time. Written notice of intention to withdraw must be served upon the remaining Partners at least three (3) months prior to the withdrawal date.
35. Except as otherwise provided elsewhere in this Agreement, the voluntary withdrawal of a Partner will have no effect upon the continuance of the Partnership business.
36. In the event that a Partner's interest in the Partnership is to be sold, the remaining Partners have a right of first purchase on that interest. If any of the remaining Partners elect to purchase the interest of the Dissociated Partner, those Partners will serve written notice of such election upon the Dissociated Partner within thirty (30) days after receipt of the Dissociated Partner's notice of intention to withdraw, including the purchase price and method and schedule of payment for the Dissociated Partner's interest. The purchase amount of any buyout of the Dissociated Partner's interest will be determined as outlined in the Valuation of Interest section of this Agreement.
37. A Dissociated Partner will only exercise the right to withdraw in good faith and will act to minimize any present or future harm done to the remaining Partners as a result of the withdrawal.

#### **Involuntary Withdrawal of a Partner**

38. Events resulting in the involuntary withdrawal of a Partner from the Partnership will include but not be limited to: death of a Partner; Partner mental incapacity; Partner disability preventing reasonable participation in the Partnership; Partner incompetence; breach of fiduciary duties by a Partner; criminal conviction of a Partner; Expulsion of a Partner; Operation of Law against a Partner; or any act or omission of a Partner that can reasonably be expected to bring the business or societal reputation of the Partnership into disrepute.
39. Except as otherwise provided elsewhere in this Agreement, the involuntary withdrawal of a Partner will have no effect upon the continuance of the Partnership business.

40. In the event that a Partner's interest in the Partnership is to be sold, the remaining Partners have a right of first purchase on that interest. If any of the remaining Partners elect to purchase the interest of the Dissociated Partner, those Partners will serve written notice of such election, including the purchase price and method and schedule of payment upon the Dissociated Partner, their executor, administrator, trustee, committee or analogous fiduciary within a reasonable period after acquiring knowledge of the change in circumstance to the Dissociated Partner. The purchase amount of any buyout of a Partner's interest will be determined as outlined in the Valuation of Interest section of this Agreement.
41. A trustee in bankruptcy or similar third party who may acquire that Dissociated Partner's interest in the Partnership will only acquire that Partner's economic rights and interests and will not acquire any other rights of that Partner or be admitted as a Partner of the Partnership or have the right to exercise any management or voting interests.

#### **Dissociation of a Partner**

42. Where the remaining Partners have purchased the interest of a Dissociated Partner, the purchase amount will be paid in full, but without interest, within 90 days of the date of withdrawal.
43. The Partnership will retain exclusive rights to use of the trade name and firm name and all related brand and model names of the Partnership.
44. Where the voluntary or involuntary withdrawal of a Partner results in only one Partner remaining or where no buyer is found to purchase the interest of the Dissociated Partner then the Partnership will proceed in a reasonable and timely manner to dissolve the Partnership, with all debts being paid first, prior to any distribution of the remaining funds. Valuation and distribution will be determined as described in the Valuation of Interest section of this Agreement.
45. The remaining Partners retain the right to seek damages from a Dissociated Partner where the dissociation resulted from a malicious or criminal act by the Dissociated Partner or where the Dissociated Partner had breached their fiduciary duty to the Partnership or was in breach of this Agreement or had acted in a way that could reasonably be foreseen to bring harm or damage to the Partnership or to the reputation of the Partnership.
46. On any purchase and sale of a Partnership interest, a Dissociated Partner will only have liability for Partnership obligations that were incurred during their time as a Partner. Immediately upon the sale of a withdrawing Partner's interest, the Partnership will prepare, file, serve, and publish

all notices required by law to protect the withdrawing Partner from liability for future Partnership obligations.

### **Dissolution**

47. Except as otherwise provided in this Agreement, the Partnership will be dissolved upon a unanimous vote of all Partners.

### **Distribution of Property on Dissolution of Partnership**

48. In the event of the dissolution of the Partnership, Partnership assets or liabilities will be shared according to the following dissolution distribution (the "Dissolution Distribution") schedule:

<b>PARTNER</b>	<b>DISSOLUTION DISTRIBUTION PERCENT</b>
Nick Minas Alfaro	20%
Patrick Beltran	20%
Saquib Shoaib	60%

49. Upon Dissolution of the Partnership and liquidation of Partnership Property, and after payment of all selling costs and expenses, the liquidator will distribute the Partnership assets to the following groups according to the following order of priority:
- a. in satisfaction of liabilities to creditors except Partnership obligations to current Partners;
  - b. in satisfaction of Partnership debt obligations to current Partners; and then
  - c. to the Partners according to the Dissolution Distribution described above.
50. The claims of each priority group will be satisfied in full before satisfying any claims of a lower priority group. Any excess of Partnership assets after liabilities or any insufficiency in Partnership assets in resolving liabilities under this section will be shared by the Partners according to the Dissolution Distribution described above.

### **Valuation of Interest**

51. In the absence of a written agreement setting a value, the value of the Partnership will be based on the fair market value appraisal of all Partnership assets (less liabilities) determined in accordance with generally accepted accounting principles (GAAP). This appraisal will be conducted by an independent accounting firm agreed to by all Partners. An appraiser will be appointed within a reasonable period of the date of withdrawal or dissolution. The results of the appraisal will be binding on all Partners. A withdrawing Partner's interest will be based on that Partner's proportion of the Dissolution Distribution described above, less any outstanding liabilities the withdrawing Partner may have to the Partnership. The intent of this section is to ensure the survival of the Partnership despite the withdrawal of any individual Partner.
52. No allowance will be made for goodwill, trade name, patents or other intangible assets, except where those assets have been reflected on the Partnership books immediately prior to valuation.

**Goodwill**

53. The goodwill of the Partnership business will be assessed at an amount to be determined by appraisal using generally accepted accounting principles (GAAP).

**Title to Partnership Property**

54. Title to all Partnership Property will remain in the name of the Partnership. No Partner or group of Partners will have any ownership interest in such Partnership Property in whole or in part.

**Voting**

55. Any vote required by the Partnership will be assessed where each Partner receives one vote carrying equal weight.

**Force Majeure**

56. A Partner will be free of liability to the Partnership where the Partner is prevented from executing their obligations under this Agreement in whole or in part due to force majeure, such as earthquake, typhoon, flood, fire, and war or any other unforeseen and uncontrollable event where the Partner has communicated the circumstance of said event to any and all other Partners and taken any and all appropriate action to mitigate said event.

**Duty of Loyalty**

57. No Partner will engage in any business, venture or transaction, whether directly or indirectly, that might be competitive with the business of the Partnership or that would be in direct conflict of interest to the Partnership without the unanimous written consent of the remaining Partners. Any and all businesses, ventures or transactions with any appearance of conflict of interest must be fully disclosed to all other Partners. Failure to comply with any of the terms of this clause will be deemed an Involuntary Withdrawal of the offending Partner and may be treated accordingly by the remaining Partners.

#### **Duty of Accountability for Private Profits**

58. Each Partner must account to the Partnership for any benefit derived by that Partner without the consent of the other Partners from any transaction concerning the Partnership or any use by that Partner of the Partnership property, name or business connection. This duty continues to apply to any transactions undertaken after the Partnership has been dissolved but before the affairs of the Partnership have been completely wound up by the surviving Partner or Partners or their agent or agents.

#### **Duty to Devote Time**

59. Each Partner will devote such time and attention to the business of the Partnership as the majority of the Partners will from time to time reasonably determine for the conduct of the Partnership business.

#### **Forbidden Acts**

60. No Partner may do any act in contravention of this Agreement.

61. No Partner may permit, intentionally or unintentionally, the assignment of express, implied or apparent authority to a third party that is not a Partner in the Partnership.

62. No Partner may do any act that would make it impossible to carry on the ordinary business of the Partnership.

63. No Partner may confess a judgment against the Partnership.

64. No Partner will have the right or authority to bind or obligate the Partnership to any extent with regard to any matter outside the intended purpose of the Partnership.



65. Any violation of the above Forbidden Acts will be deemed an Involuntary Withdrawal of the offending Partner and may be treated accordingly by the remaining Partners.

**Indemnification**

66. All Partners will be indemnified and held harmless by the Partnership from and against any and all claims of any nature, whatsoever, arising out of a Partner's participation in Partnership affairs. A Partner will not be entitled to indemnification under this section for liability arising out of gross negligence or willful misconduct of the Partner or the breach by the Partner of any provisions of this Agreement.

**Liability**

67. A Partner will not be liable to the Partnership, or to any other Partner, for any mistake or error in judgment or for any act or omission done in good faith and believed to be within the scope of authority conferred or implied by this Agreement or the Partnership.

**Liability Insurance**

68. The Partnership may acquire insurance on behalf of any Partner, employee, agent or other person engaged in the business interest of the Partnership against any liability asserted against them or incurred by them while acting in good faith on behalf of the Partnership.

**Life Insurance**

69. The Partnership will have the right to acquire life insurance on the lives of any or all of the Partners, whenever it is deemed necessary by the Partnership. Each Partner will cooperate fully with the Partnership in obtaining any such policies of life insurance.

**Amendments**

70. This Agreement may not be amended in whole or in part without the unanimous written consent of all Partners.

**Governing Law and Jurisdiction**

71. This Agreement will be construed in accordance with and exclusively governed by the laws of The State of California.

72. The Partners submit to the jurisdiction of the courts of The State of California for the enforcement of this Agreement or any arbitration award or decision arising from this Agreement.

### **Definitions**

73. For the purpose of this Agreement, the following terms are defined as follows:

- a. "Additional Capital Contributions" means Capital Contributions, other than Initial Capital Contributions, made by Partners to the Partnership.
- b. "Capital Contribution" means the total amount of cash or Property contributed to the Partnership by any one Partner.
- c. "Dissociated Partner" means any Partner who is removed from the Partnership through a voluntary or involuntary withdrawal as provided in this Agreement.
- d. "Expulsion of a Partner" can occur on application by the Partnership or another Partner, where it has been determined that the Partner:
  - i. has engaged in wrongful conduct that adversely and materially affected the Partnership's business;
  - ii. has willfully or persistently committed a material breach of this Agreement or of a duty owed to the Partnership or to the other Partners; or
  - iii. has engaged in conduct relating to the Partnership's business that makes it not reasonably practicable to carry on the business with the Partner.
- e. "Initial Capital Contribution" means Capital Contributions made by any Partner to acquire an interest in the Partnership.
- f. "Operation of Law" means rights or duties that are cast upon a party by the law, without any act or agreement on the part of the individual including, but not limited to, an assignment for the benefit of creditors, a divorce, or a bankruptcy.

### **Additional Clauses**

## 74. SALE OF ENTITY:

Managing Partners will sell 60% off domain www.PuffBar.com to Saquib Shoaib for an estimated amount of \$50,000. x

## 75. BRANDING:

Branding of PUFF Brand, and or of any brand-related changes must be discussed and approved by a unanimous vote for the partnership. x

## 76. PURCHASING:

All PUFF Branded products must be purchased through AUTHORIZED DISTRIBUTION, with maximum 50% of the payment made at the time of the landed goods in possession of the managing partners while the rest will be discussed by a unanimous vote within a reasonable amount of time. x

## 77. PUFFBAR.COM:

Puffbar.com will be solely and completely in full control of the managing partners and will seek only advise and collaboration from non managing partners. All things "Puff" related must be done under Puffbar.com as the main and only source for authorized Puff products. all other site or branding will be redirected to Puffbar.com unless unanimously voted otherwise. x

78. FIRST RIGHT OF REFUSAL: The first right of refusal will be given to the partners in the event of a partner wanting to sell their shares. x

**Miscellaneous**

79. Time is of the essence in this Agreement.

80. This Agreement may be executed in counterpart.

81. Headings are inserted for the convenience of the parties only and are not to be considered when interpreting this Agreement. Words in the singular mean and include the plural and vice versa. Words in the masculine gender include the feminine gender and vice versa. Words in the neuter gender include the masculine gender and the feminine gender and vice versa.

82. If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, it is the parties' intent that such provision be reduced in scope by the court only to the extent deemed necessary by that court to render the

provision reasonable and enforceable and the remainder of the provisions of this Agreement will in no way be affected, impaired or invalidated as a result.

83. This Agreement contains the entire agreement between the parties. All negotiations and understandings have been included in this Agreement. Statements or representations which may have been made by any party to this Agreement in the negotiation stages of this Agreement may in some way be inconsistent with this final written Agreement. All such statements are declared to be of no value in this Agreement. Only the written terms of this Agreement will bind the parties.
84. This Agreement and the terms and conditions contained in this Agreement apply to and are binding upon the Partner's successors, assigns, executors, administrators, beneficiaries, and representatives.
85. Any notices or delivery required here will be deemed completed when hand-delivered, delivered by agent, or seven (7) days after being placed in the post, postage prepaid, to the parties at the addresses contained in this Agreement or as the parties may later designate in writing.
86. All of the rights, remedies and benefits provided by this Agreement will be cumulative and will not be exclusive of any other such rights, remedies and benefits allowed by law.

**IN WITNESS WHEREOF** the Partners have duly affixed their signatures under hand and seal on this 1st day of February, 2020.

 2/3/2020  
571510A637BB4DA...  
Nick Minas Alfaro

 2/3/2020  
F6C3AEEA094D41E...  
Patrick Beltran

 2/3/2020  
553D7A1EF07C401...  
Saquib Shoaib





# Exhibit 33



# California Secretary of State Electronic Filing

# FILED

Secretary of State  
State of California

## Corporation - Statement of Information

Entity Name: PUFF BAR

Entity (File) Number: C4569634

File Date: 07/02/2020

Entity Type: Corporation

Jurisdiction: CALIFORNIA

Document ID: GG78025

### Detailed Filing Information

1. Entity Name: PUFF BAR

2. Business Addresses:

a. Street Address of Principal  
Office in California:

b. Mailing Address: 101 N Verdugo rd #11001  
Glendale , California 91606  
United States of America

c. Street Address of Principal  
Executive Office: 101 N Verdugo rd #11001  
Glendale , California 91606  
United States of America

3. Officers:

a. Chief Executive Officer: Nick Minas  
101 N Verdugo rd #11001  
Glendale , California 91606  
United States of America

b. Secretary: Patrick beltran  
101 N Verdugo rd #11001  
Glendale , California 91606  
United States of America

Document ID: GG78025



## California Secretary of State Electronic Filing

Officers (cont'd):

c. Chief Financial Officer:

Patrick Beltran  
101 N Verdugo rd #11001  
Glendale , California 91606  
United States of America

4. Director:

Patrick Beltran  
101 N Verdugo rd #11001  
Glendale , California 91606  
United States of America

Number of Vacancies on the Board of  
Directors:

0

5. Agent for Service of Process:

Robert Diaz  
201 S Lake Ave #508  
Pasadena, California 91101  
United States of America

6. Type of Business:

Vapor Products

By signing this document, I certify that the information is true and correct and that I am authorized by California law to sign.

Electronic Signature: Nick Minas

*Use [bizfile.sos.ca.gov](http://bizfile.sos.ca.gov) for online filings, searches, business records, and resources.*

Document ID: GG78025

# Exhibit 34

## ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the “Agreement”) is made this 21st day of January, 2021 (the “Effective Date”), by and between DS Technology Licensing, LLC (“DS Technology”), a Delaware limited liability company, and Evo Brands, LLC (“Evo”), a Delaware limited liability company (with DS Technology, the “Parties”).

### RECITALS

WHEREAS, the Parties desire that DS Technology sell, assign, transfer, convey, and deliver to Evo, all right, title, and interest of DS Technology in and to the Purchased Assets (as hereinafter defined), free and clear of any liabilities associated with the Purchased Assets prior to the Effective Date of this Agreement, upon the terms and subject to the conditions of this Agreement;

NOW, THEREFORE, in consideration of the foregoing premises, and the respective representations and warranties, covenants and agreements contained herein, the Parties hereto agree as follows:

1. **Purchase Price.** Evo shall acquire the Purchased Assets for an aggregate purchase price of seventeen million five hundred thousand and 00/100 dollars (\$17,500,000.00) (the “Purchase Price”). The Purchase Price shall be payable in cash in twenty-four (24) installments as follows: (a) A payment of \$200,000.00 shall be due and payable on the last business day of each of the four calendar months following the execution of this Agreement, with the first such payment due and payable on January 29, 2021; (b) The remainder of the purchase price shall be due and payable in twenty (20) equal monthly installments of \$835,000.00 due and payable on the last business day of each of the fifth through twenty-fourth months following the execution of this Agreement.

2. **Acquisition of Assets.** In consideration of the Purchase Price, Evo shall acquire the following assets owned, employed, or held for use by DS Technology (collectively, the “Purchased Assets”): (a) the intellectual property assets set forth on **Exhibit A** attached hereto (the “Puff IP”), as well as all common law rights associated therewith; (b) all rights to collect royalties and proceeds in connection with the Puff IP, all rights to sue and recover for past, present and future infringements, dilutions, misappropriations of, or other conflicts with, such Puff IP and any and all corresponding rights that, now or hereafter, may be secured throughout the world in such Puff IP; (c) the premarket tobacco application (“PMTA”) that was filed with the U.S. Food and Drug Administration (the “FDA”) by DS Technology relating to disposable vaping products utilizing the Puff IP; (d) any contracts relating to the use or licensing of the Puff IP; (e) all rights to any actions (including anti-counterfeit actions) available to or being pursued by DS Technology to the extent related to the Puff IP, whether arising by way of counterclaim or otherwise; provided, however, that DS Technology shall be entitled to any portion of damages recovered that are associated with harm caused to DS Technology prior to the Effective Date so long as DS Technology contributes to a proportionate share of the fees and costs incurred to obtain such recovery; (f) originals, or where not available, copies of all records and data relating to the Puff IP; and (g) all goodwill associated with the Puff IP. DS Technology warrants and represents that it has good, marketable, and transferable title to all of the Purchased Assets, free and clear of all liens or competing



claims to ownership. Evo shall assume responsibility for all ongoing US and international filings related to the Puff IP.

3. **Limitations on Liability.** Evo shall not assume any liabilities, obligations, or commitments of DS Technology that arise prior to the Effective Date or that relate to or arise from the operation of DS Technology's business or DS Technology's ownership or use of the Purchased Assets prior to the Effective Date, including any regulatory or legal issues related to sales prior to the Effective Date, such as, by way of example, the *Fantasia* lawsuit. Evo shall, however, be responsible for defending any claims associated with the use of the Purchased Assets following the Effective Date and liable for any claims arising post-closing relating to the Purchased Assets or their use post-Closing.

4. **Confidentiality.** The terms contained in this Agreement shall be kept highly confidential by the Parties and not disclosed unless mandated by law or authorized by all Parties hereto, except that the terms of this Agreement may be disclosed by the Parties to their attorneys, accountants, and other advisors who shall similarly agree to maintain the confidentiality of the terms of this Agreement. If either Party is compelled to disclose any such information by judicial or administrative process or by other requirements of law, the disclosing Party shall promptly notify the other Party in writing and shall disclose only that portion of such information that the disclosing Party is advised by its counsel in writing is legally required to be disclosed. Further, the disclosing Party shall exercise its reasonable best efforts to obtain an appropriate protective order or other reasonable assurance that confidential treatment will be accorded such information. DS Technology shall enforce for the benefit of Evo all confidentiality, assignment of inventions, and similar agreements between DS Technology and any other party relating to the Purchased Assets.

5. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute the same agreement.

6. **Governing Law and Forum Selection.** This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware (without regard to conflicts of laws principles). Any disputes arising between the Parties shall be litigated exclusively in the state or federal courts located in Los Angeles, California.

7. **Expenses.** Each Party shall be responsible for and bear all of its own costs and expenses (including the expenses of its representatives) incurred at any time in connection with pursuing or consummating the transaction memorialized in this Agreement.

8. **Manufacturing Rights.** Evo agrees to make efforts to continue the cooperative relationship with Shenzhen Daosen Vaping Technology Co., Ltd., DS Technology's local manufacturing partner and registered holder of certain Puff marks in the People's Republic of China. Evo agrees that it shall give DS Technology's manufacturing partner, Shenzhen Daosen Vaping Technology Co., Ltd., the contract to manufacture the existing Puff line of products at commercially reasonable rates. If the Parties cannot agree on rates, Evo may seek bids from other manufacturers but shall give written notice and 15 day window to match the price prior to executing a final agreement with a third party manufacturer. Evo

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their respective authorized representative as of the Effective Date first above written.

**Evo Brands, LLC**

By: signature on following page

Name: [REDACTED]

Title: Authorized Attorney for Evo Brands, LLC

## United States Federal Applications/Registrations:

3

agrees that with respect to new products carrying the Puff bar marks it will solicit bids for manufacture from Shenzhen Daosen Vaping Technology Co., Ltd. when they have the capabilities to perform.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their respective authorized representative as of the Effective Date first above written.

DS Technology Licensing, LLC






By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_











Evo Brands, LLC

By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: Authorized Attorney for Evo Brands, LLC

Exhibit A


United States Federal Applications/Registrations:

Mark	Reg./App. No.	Goods/Services
	6143771	Electronic cigarettes and oral vaporizers for smokers; Electronic cigarettes for use as an alternative to traditional cigarettes; Electric cigarettes; Flavorings, other than essential oils, for use in electronic cigarettes; Flavourings, other than essential oils, for use in electronic cigarettes; Liquid nicotine solutions for use in electronic cigarettes; Mechanical electronic cigarettes
	88550952	Electronic cigarettes; Electronic cigarettes for use as an alternative to traditional cigarettes
	88775076	003: Body lotions; bath oils; body oils 029: Edible Oils 030: Gummy candies; flavor enhancers used in food and beverage products 032: fruit flavoured drinks; soft drinks 034: Electronic cigarettes; flavorings, other than essential oils, for use in electronic cigarettes; liquid nicotine solutions for use in electronic cigarettes
	88884817	034: Electronic cigarettes; Electronic cigarettes and oral vaporizers for smokers; Electronic cigarettes for use as an alternative to traditional cigarettes; Cartridges sold filled with propylene glycol for electronic cigarettes; Electric cigarettes; Electronic cigarette liquid (e-liquid) comprised of flavorings in liquid form, other than essential oils, used to refill electronic cigarette cartridges; Flavorings for tobacco substitutes, other than essential oils; Flavorings for tobacco, other than essential oils; Flavorings, other than essential oils, for tobacco; Flavourings, other than essential oils, for tobacco; Flavourings, other than essential oils, for use in electronic cigarettes; Liquid nicotine solutions for use in electronic cigarettes; Oral vaporizers for smokers; Oral vaporizers for smoking purposes
	88655139	Electronic cigarettes; Electronic cigarettes for use as an alternative to traditional cigarettes







	88729899	Electronic cigarettes; Electronic cigarettes for use as an alternative to traditional cigarettes; Electric cigarettes
	88655008	Electronic cigarettes; Electronic cigarettes for use as an alternative to traditional cigarettes
	88655208	Electronic cigarettes; Electronic cigarettes for use as an alternative to traditional cigarettes
	88775944	Electronic cigarettes; Electronic cigarettes for use as an alternative to traditional cigarettes; Electric cigarettes; Flavourings, other than essential oils, for use in electronic cigarettes; Liquid nicotine solutions for use in electronic cigarettes; Mechanical electronic cigarettes
	88792925	Electronic cigarettes; Electronic cigarettes and oral vaporizers for smokers; Electronic cigarettes for use as an alternative to traditional cigarettes; Electric cigarettes; Flavorings, other than essential oils, for use in electronic cigarettes; Flavourings, other than essential oils, for use in electronic cigarettes; Liquid nicotine solutions for use in electronic cigarettes; Mechanical electronic cigarettes
	88569738	Electronic cigarettes; Electronic cigarettes for use as an alternative to traditional cigarettes
	8575187	Electronic cigarettes; Electronic cigarettes for use as an alternative to traditional cigarettes
	88575242	Electronic cigarettes; Electronic cigarettes for use as an alternative to traditional cigarettes
	88729126	Electronic cigarettes; Electronic cigarettes for use as an alternative to traditional cigarettes; Electric cigarettes
	88729143	Electronic cigarettes; Electronic cigarettes for use as an alternative to traditional cigarettes; Electric cigarettes
	88729156	Electronic cigarettes; Electronic cigarettes for use as an alternative to traditional cigarettes; Electric cigarettes
	88729198	Electronic cigarettes; Electronic cigarettes for use as an alternative to traditional cigarettes; Electric cigarettes
	88762399	Electronic cigarettes; Electronic cigarettes and oral vaporizers for smokers; Electronic cigarettes for use as an alternative to traditional cigarettes; Electric cigarettes; Mechanical electronic cigarettes

	88801365	Electronic cigarettes; Electronic cigarettes and oral vaporizers for smokers; Electronic cigarettes for use as an alternative to traditional cigarettes; Electric cigarettes; Flavorings, other than essential oils, for use in electronic cigarettes; Flavourings, other than essential oils, for use in electronic cigarettes; Mechanical electronic cigarettes
	90002436	Electronic cigarette liquid (e-liquid) comprised of flavorings in liquid form, other than essential oils, used to refill electronic cigarette cartridges; Electronic cigarettes; Electronic cigarettes and oral vaporizers for smokers; Electronic cigarettes for use as an alternative to traditional cigarettes; Electric cigarettes; Flavorings, other than essential oils, for use in electronic cigarettes; Flavourings, other than essential oils, for use in electronic cigarettes; Liquid nicotine solutions for use in electronic cigarettes; Mechanical electronic cigarettes
PUFF BAR	90034126	Electronic cigarette liquid (e-liquid) comprised of flavorings in liquid form, other than essential oils, used to refill electronic cigarette cartridges; Electronic cigarettes; Electronic cigarettes and oral vaporizers for smokers; Electronic cigarettes for use as an alternative to traditional cigarettes; Electric cigarettes; Mechanical electronic cigarettes
PUFF NTN	90139690	Electronic cigarette liquid (e-liquid) comprised of flavorings in liquid form, other than essential oils, used to refill electronic cigarette cartridges; Electronic cigarette liquid (e-liquid) comprised of vegetable glycerin; Electronic cigarettes; Electronic cigarettes and oral vaporizers for smokers; Electronic cigarettes for use as an alternative to traditional cigarettes; Boxes for electronic cigarettes and electronic cigarette accessories; Cartridges sold filled with vegetable glycerin for electronic cigarettes; Cases for electronic cigarettes and electronic cigarette accessories; Electric cigarettes
PUFF BAR NTN	90139847	Electronic cigarettes; Electronic cigarettes and oral vaporizers for smokers; Electronic cigarettes for use as an alternative to traditional cigarettes; Cartridges sold filled with vegetable glycerin for electronic cigarettes; Electric cigarettes; Flavorings, other than essential oils, for use in electronic cigarettes; Flavourings, other than essential oils, for use in electronic cigarettes; Liquid nicotine solutions for use in electronic cigarettes
PUFF EXOTICS	90162012	Electronic cigarette liquid (e-liquid) comprised of flavorings in liquid form, other than essential oils, used to refill electronic cigarette cartridges; Electronic cigarette liquid (e-liquid) comprised of vegetable glycerin; Electronic cigarettes for use as an alternative to traditional cigarettes; Cases for electronic cigarettes and electronic cigarette accessories; Chemical flavorings in liquid form used to refill electronic cigarette cartridges; Electric cigarettes; Flavorings, other than essential oils, for use in electronic cigarettes; Flavourings, other than essential oils, for use in electronic cigarettes; Liquid nicotine solutions for use in electronic cigarettes; Mechanical electronic cigarettes
PUFF THC	90161982	

#### **Foreign Trademark Applications/Registrations:**

Mark	Reg./App. No.	Class	Jurisdiction
	18321767	9, 34	European Union
	18318045	9, 34	European Union



			
	18335348	9, 34	European Union
PUFF	18319502	9, 34	European Union
PUFF FLOW	18329213	9, 34	European Union
	867590-2020	34	Peru
PUFF	867587-2020	9	Peru
PUFF	867586-2020	34	Peru
	UK00003549160	9, 34	United Kingdom
PUFF FLOW	UK00003549160	9, 34	United Kingdom
	UK00003549765	9, 34	United Kingdom
PUFF	UK00003549765	9, 34	United Kingdom
	UK00003549833	9, 34	United Kingdom
PUFF XXL	UK00003549833	9, 34	United Kingdom

**California State Trademark Registrations / Applications:**

Registration ID	Registration Date	Status	Description of Mark	Class Code	Design Code	Owner (Individual/Entity)
<a href="#">02004693</a>	04/24/2020	Active	Puff	34		DS Technology Licensing, LLC
<a href="#">02004696</a>	04/24/2020	Active	PUFF BAR	34		DS Technology Licensing, LLC
<a href="#">02004706</a>	05/01/2020	Active	PUFF KRUSH	34		DS Technology Licensing, LLC
<a href="#">02004707</a>	05/01/2020	Active	PUFF PLUS	34		DS Technology Licensing, LLC
<a href="#">02004645</a>	04/24/2020	Active	The mark consists of the word "PUFF" in stylized letters surrounded by stylized cloud design that is open at the bottom, a horizontal line appears under "PUFF" with the letters "BAR" centered below.	34	01.15.06 - Advertising, skywriting 26.17.01 - Lines, straight 26.17.05 - Lines, horizontal	DS Technology Licensing, LLC
<a href="#">02004652</a>	04/24/2020	Active	The mark consists of the word "PUFF" in stylized letters surrounded by stylized cloud design that is open at the bottom, a horizontal line appears under "PUFF" with the word "KRUSH" centered below.	34	01.15.06 - Advertising, skywriting 26.17.01 - Lines, straight 26.17.05 - Lines, horizontal	DS Technology Licensing, LLC
<a href="#">02004653</a>	04/24/2020	Active	The mark consists of the word "PUFF" in stylized letters surrounded by stylized cloud design that is open at the bottom, a horizontal line appears under "PUFF" with the word "PLUS" centered below.	34	01.15.06 - Advertising, skywriting 26.17.01 - Lines, straight 26.17.05 - Lines, horizontal 26.17.13 - Underlined words or letters	DS Technology Licensing, LLC
<a href="#">02004644</a>	03/23/2020	Active	The mark consists of the word "PUFF" in stylized letters surrounded by stylized cloud design that is open at the bottom.	34	01.15.06 - Advertising, skywriting	DS Technology Licensing, LLC

Submission Number 02004674 PUFF SALT Word Mark

### Illinois State Trademark Registrations / Applications:

PUFF



PUFF FLOW



PUFF BAR



PUFF PLUS



**New York State Trademark Registrations / Applications:**

PUFF



PUFF BAR



PUFF FLOW



PUFF PLUS



**Domain Names (collectively, the “Domain Names”):**

Puffsalt.com

Puffbarntn.com

Puffbarntn.info

Puffbarntn.org

Puffbartfn.com

Puffbartfn.info

Puffbartfn.org

Puffbartfn.net

Puffntn.com

Puffntn.info

Puffntn.org

Puffsalttfn.com

Puffsalttfn.info

Puffsalttfn.net

Puffsalttfn.org

Pufftfn.com

Pufftfn.net

Pufftfn.info

Pufftfn.org

**Copyrights:**

Websites and all content posted at/associated with/generated by the Domain Names listed immediately above, including but not limited to text, images, graphics customer lists, newsletters, and subscriber lists.

# Exhibit 35



**Evo Brands LLC**

**Product Identification Training Guide**

**[www.puffbar.com](http://www.puffbar.com)**

**June 2, 2022**

## **DISCLAIMER**

The options expressed herein are those of the right owner and do not necessarily reflect the position of U.S. Customs and Border Protection (CBP). Decisions as to whether or not merchandise should be detained or seized for infringing protected intellectual property rights are to be made in accordance with established procedures by CBP personnel at the appropriate management level of the concerned field office. CBP personnel who have questions arising from this product identification manual should contact the IPR Branch, Office of Trade Regulations & Rulings, at



# **PRODUCT DISCRIPTIONS, PRODUCT IMAGES, PLACES OF MANUFACTURING, AND IMPORTATION FOR GENUINE GOODS**

## **I. PRODUCT DESCRIPTIONS**

Evo Brands LLC is the current owner of the PUFF BAR brand of e-cigarettes and a family of trademarks consisting of or incorporating the term “PUFF” and its distinctive cloud design, including PUFF BAR, PUFF FLOW, and PUFF GLOW (the “PUFF Brand”). The designation provided to the United States Patent and Trademark Office for these **PUFF Brand products** is “electronic cigarettes. Electronic cigarettes for use as an alternative to traditional cigarettes.”

1. **Puff Bar CI. 34:** Electronic cigarette liquid (e-liquid) comprised of flavorings in liquid form, other than essential oils, used to refill electronic cigarette cartridges; Electronic cigarettes; Electronic cigarettes and oral vaporizers for smokers.
2. **Puff Glow CI. 34:** Electronic cigarettes; Electronic cigarettes for use as an alternative to traditional cigarettes; Electric cigarettes
3. **Puff Flow CI. 34:** Electronic cigarettes; Electronic cigarettes and oral vaporizers for smokers; Electronic cigarettes for use as an alternative to traditional cigarettes; Cartridges sold filled with propylene glycol for electronic cigarettes.

Personal electric or electronic vaporizing devices, commonly known as e-cigarettes, are battery powered personal vaporizers that simulate the traditional method of smoking a tobacco cigarette. The user activates his or her vaporizing device by either inhaling or pressing a button on the device itself. The device’s atomizer, or heating element, is then activated to a high temperature by an electrical charge and aerosolizes liquid stored either in an internal “tank” inside the device or in a replaceable cartridge, or “pod,” generating an aerosol, or “vapor,” that is delivered to the user’s lungs. The use of a personal vaporizing device is often referred to as “vaping.”

## **II. PRODUCT IMAGES**

The genuine products are personal electronic vaporizers that have a long, thin shape, which may slightly differ on the mouthpiece depending on the particular Puff product. The genuine products display different colors.

Each of the genuine products bears the Puff Brand marks and displays a tobacco-free nicotine warning label, which states as follows:

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**WARNING: This product contains tobacco-free nicotine. Nicotine is an addictive chemical.**

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The exemplary images of genuine products are identified as follows, which show the particular shape associated with each Puff brand product:

## Puff Bar Product



## Puff Flow Products



**Aloe Grape**  
Puff Flow





### **III. PLACES OF MANUFACTURING**

Genuine products bearing the Puff Brand marks are only manufactured in China. The following are the only authorized manufacturers in China for genuine Puff Bar products:

- a. Shenzhen Daosen Steam Technology Co., Ltd.
  - i. No. 7, Lijing Road, Jiangbei New Area, Nanjing, Jiangsu, China
- b. Shenzhen VapeEZ Technology Ltd.
  - i. 4-5F Block E, 71-6 Xintian Avenue, Xintian Community  
Fuhai Street, Bao'an District, Shenzhen, China

### **IV. IMPORTATION INTO THE UNITED STATES**

Genuine products bearing the Puff Brand marks are imported into the United States through the Los Angeles International Airport.

Genuine products have been transported via air from Incheon International Airport in South Korea and Hong Kong International Airport previously. Genuine products will be transported from Chinese airports in the future, including airports in Shanghai, Shenzhen, Guangzhou, Beijing, and Zhouzhou.

### **V. OTHER MARKS THAT ARE UNDER APPLICATION WITH U.S. PATENT AND TRADEMARK OFFICE**

Evo Brands LLC also has submitted applications for the following marks:

1.

Mark	U.S. PTO Registration Number
Puff Nano	90771854
Puff Delta 8	90562035
Puff Exotics	90162012
Puff NTN	90139690
Puff Bar NTN	90139847
Puff Bar	90034126
Puff XXL	90002436
Puff Flow	88884817
Puff Glow	88792841
Pufff	88775944
Puff CBD	88762399
Puff Tube	88729885
Puff Tip	88729899
Puff Cig	88729126
Puff Mini	88729143
Puff Plus	88729156
Puff Supreme	88729198
Puff Burst	88655008

Puff Krush	88655139
Puff Pop	88655208
Puff Salt	88575187
Puff Salts	88575242
Puff Bar (with logo)	88550952
Puff Pop	88655208
Puff Salt	88575187
Puff Salts	88575242
Puff Bar (with logo)	88550952
Puff Max	97358265
Puff Max (with logo)	97358268
Puff Ultra	97358266
Puff Ultra (with logo)	97358270

The following are images of genuine products bearing the Puff Plus and Puff Max marks that are also owned by Evo Brands and for which applications for trademark registrations are currently pending:



## Puff Max Products



**LIST OF KNOWN AND ALLEGED VIOLATORS, PRODUCT  
DESCRIPTIONS AND IMAGES OF SUSPECT GOODS, AND  
IMPORTATIONS OF SUSPECT GOODS**

**I. LIST OF KNOWN AND ALLEGED VIOLATORS**

**Known and Alleged Violators**

1. CACUQ USA INC. (CA)
2. CACUQ USA INC. (NY)
3. CACUQ USA INC. (TX)
4. CACUQ WHOLESALE, INC.
5. Shenzhen VapeMons Technology Co., Ltd
6. Blink Imports LLC
7. J&L D Sunset Wholesale & Tobacco
8. Smoke 1 (CA)
9. Daniel Rahbar Distributions and Representations LLC
10. Gypsy Vapes a.k.a. The Bambino Company
11. Temecula Cash & Carry, Inc.
12. Pitco Tobacco, Inc.
13. Tobacco Cartel, Inc.
14. Global Vapors LLC
15. Mayvillage Trading, LLC
16. Sky Distribution LLC
17. Vapes Society Distro Inc.
18. Cloud 9 Smoke Company Inc
19. Vaporider LLC
20. Sweet Southern Vapes LLC
21. Sweet Southern Vapes Crestview LLC
22. Sweet Southern Vapes Destin LLC
23. Sweet Southern Vapes Niceville LLC
24. Unishow Inc.
25. The Local Vapory LLC
26. My Vape Store
27. Sema International Inc.
28. Ecto World LLC
29. ELiquid Depot
30. G & Fire
31. Vapor Exotica Group, LLC
32. Performance Plus Marketing, Inc.
33. Shenzhen Fengda Logistics Technology Co., Ltd.
34. Shenzhen Yanyang Technology Co., Ltd.



### **Websites Selling Counterfeit Products**

1. <https://puffbarforless.com>
2. [www.puffbarsalt.com](http://www.puffbarsalt.com)
3. [www.puffbarvapes.com](http://www.puffbarvapes.com)
4. [www.puffbarstudio.com](http://www.puffbarstudio.com)
5. [www.puffbarofficial.com](http://www.puffbarofficial.com)
6. [tps://puffecig.com/puff-bar-disposable-device/](https://puffecig.com/puff-bar-disposable-device/)
7. <https://ezpuff.com/puff-bar-plus-all-flavors/>
8. <https://vaporboss.com/products/puff-bar-disposable-vape>
9. <https://ravenroute.com/collections/all>
10. <https://www.fatpuffwholesale.com/where-to-get-bulk-puff-bars-cheap/>
11. <https://greencaviarclub.com/pages/contact-us>
12. <https://www.smoking-hookah.com/puff-plus-vape-bar.html>
13. <https://volcanoecigs.com/collections/disposable-vapes>
14. <https://www.redstarvapor.com/shop/disposable/puff-bar-disposable-vape-pen/>
15. <https://www.alternativepods.com/puff-bar-plus-disposable/>
16. <https://westcoastvapesupply.com/products/puff-labs-puff-bar-disposable>
17. <https://www.vaporlounge.com/Puff-BAR-Disposable-Vape-Pod-Device-p/puff-bar.htm>

## II. PRODUCT DESCRIPTIONS AND IMAGES OF SUSPECT GOODS

There are four main indicators of a genuine Puff Brand product:

1. Genuine Puff Brand products contain a “DNA” QR Code. Genuine products will not have a scratch off code as many counterfeit products do. Puff Bar’s discontinued tobacco derived nicotine packaging contained a scratch off code that some counterfeit products currently use.
2. Genuine Puff Brand products display the following warning label: “This Product contains tobacco-free nicotine. Nicotine is an addictive chemical.” Many counterfeit products have a warning label indicating that “This Product Contains Nicotine. Nicotine is an addictive chemical.” The absence of the words “tobacco-free” in the prominent nicotine warning label indicates a counterfeit product.
3. Genuine Puff Brand products no longer depict flavor indicators (i.e. snowflake, strawberry, mango, banana, etc.) Genuine products will only depict the device on the packaging without additional imagery. Many counterfeit products continue to depict flavor indicators on the packaging. The image below depicts flavor indicators shown on counterfeit product as described:



4. Genuine Puff Brand products are only offered in certain flavors for each device. The following table lists the flavors in which each of the genuine Puff Bar, Puff Plus, Puff Flow, and Puff Max products is offered:



Puff Brand's Current Product Flavor Offerings			
Puff Bar	Puff Plus	Puff Flow	Puff Max
Banana Ice	Aloe Grape	Aloe Grape	Aloe Grape
Blue Razz	Aloe Mango Berry	Aloe Mango Melon Ice	Banana Ice
Blueberry Ice	Banana Ice	Banana Ice	Blue Razz Pomegranate Ice
Cool Mint	Blue Razz	Blue Razz	Blueberry Ice
Grape	Blueberry Ice	Blueberry Ice	Clear
Guava Ice	Clear	Cool Mint	Cool Mint
Lemon Ice	Cool Mint	Cran Lemon	Mango Peach Watermelon
Lush	Guava Ice	Gauva Ice	Melon Kiwi Ice
Lychee Ice	Lemon Ice	Kiwi Strawberry	Mystery
Mango	Lemon Razz	Lemon Ice	Pineapple Mango Orange
Melon Ice	Lush	Lemon Razz	Strawberry Apple Peach
Menthol	Lychee Ice	Lychee Ice	
Peach Ice	Mango	Mango	
Strawberry	Menthol	Menthol	
Strawberry Banana	Mixed Berries	Mystery	
Tobacco	Mystery	Passionfruit	
Watermelon	Peach Ice	Peach Ice	
	Straw Watermelon	Peach Mango Pineapple	
	Strawberry Banana	Tangerine Ice	
	Tobacco	Tobacco	
	Watermelon	Watermelon	

### **III. IMPORTATION OF SUSPECT GOODS**

Upon our best information and knowledge, the suspect products are imported through multiple various ports in the United States, and most of which are shipped into the United States through ports in California.

## **LIST OF RECORDED AND REGISTERED TRADEMARKS**

Below are a list of Recordation Numbers that are active with U.S. Customs and Border Protection (CBP), and a list of corresponding Trademark Numbers as registered with the U.S. Patent and Trademark Office (USPTO).

<b>CBP Numbers</b>	<b>Recordation</b>	<b>U.S. Trademark Registration No. with USPTO</b>	<b>Mark</b>
TMK 22-00386		6261191	PUFF BAR (word mark)
TMK 22-00387		6647198	
TMK 22-00383		6143771	



## **LIST OF GENUINE LICENSEES**

The genuine trademarks are found on goods imported under these two licensees:

- a. PVG2, LLC  
1700 Santa Fe Ave., Unit 420  
Los Angeles, CA 90021

PVG2, LLC is an affiliate of the trademark owner, EVO Brands, LLC, and has the same Santa Fe Avenue address above. EVO Brands, LLC and PVG2, LLC share common ownership.

- b. ABS Distribution Inc.  
6782 Stanton Avenue, Unit F  
Buena Park, CA 90621

ABS Distribution, Inc. is the master distributor of genuine Puff Brand products and is licensed by PVG2, LLC under a distribution agreement. Genuine products are distributed in the United States through ABS Distribution, Inc. to brick-and-mortar stores and online sub-distributors and retailers.

Genuine products will soon be available for sale to consumers in about 10 states from PVG2 through PuffBar.com. Currently, only overseas individuals can buy directly through PuffBar.com.

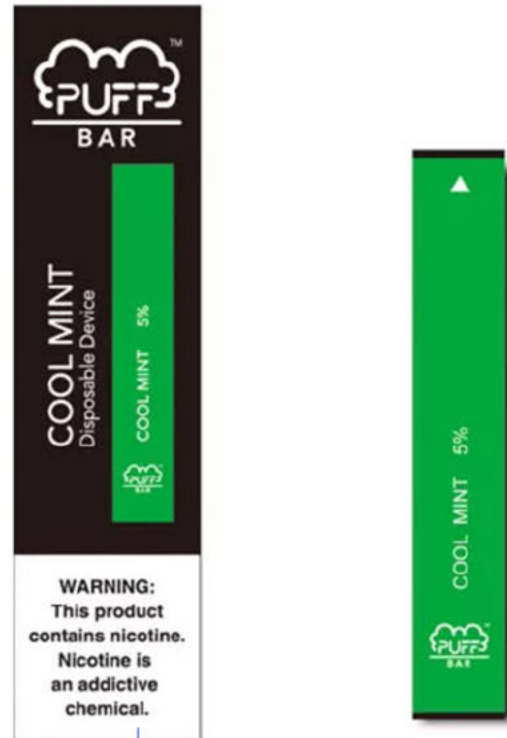
## GENUINE AND SUSPECT PRODUCT EXAMPLES

### GENIUNE



Genuine Puff Bar products display the above warning label specific to "tobacco free nicotine":  
"Warning: This product contains tobacco free nicotine. Nicotine is an addictive chemical."

### COUNTERFEIT



Many counterfeit products have a warning label indicating that "This Product Contains Nicotine. Nicotine is an addictive chemical."

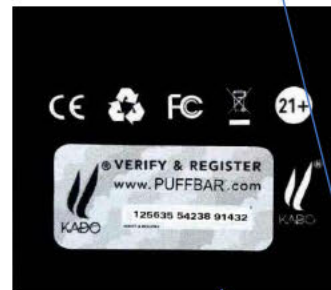
## GENIUNE



Genuine product bears a tag at this place, which is a DNA QR code. A consumer can scan the tag on the packaging, which will redirect the consumer to the official Puff Bar website ([www.puffbar.com](http://www.puffbar.com)). An instruction video can be viewed at: <https://puffbar.com/pages/product-verification>.

A detailed guidance and explanation is enclosed as **Exhibit A** of the guidance.

## COUNTERFEIT



A counterfeit product bears a scratch-off code on the product.

## GENUINE



While it has registered and recorded the trademark, EVO Brands and its licensees are not currently importing any genuine products bearing the Puff Glow trademark into the United States.

## COUNTERFEIT



All importer products bearing the Puff Glow trademark are counterfeit.

Also, any products bearing fruit imagery for the flavor of the product are also counterfeit.

## **CONTACT INFORMATION**

For further information or assistance with Puff Brand products, please contact:

Name: [REDACTED]

Title: Partner, Thompson Hine LLP

Office Number: [REDACTED]

Email Address: [REDACTED]

Inquiries may also be directed to the following management team at EVO Brands, LLC:

Nicholas Minas at [REDACTED]

Patrick Beltran at [REDACTED]

[REDACTED]



# Exhibit 36

YEAR	COMPCODE (Compcode for Pop Vapor Co., LLC is I)	UPC-CODE	BRAND-NAME	PROD- CAT	NUM-DEVICES (Number of Devices)
2021	J	6.87369E+11	Puff Bar - Banana Ice	D	1
2021	J	6.87369E+11	Puff Bar - Blue Razz	D	1
2021	J	6.87369E+11	Puff Bar - Blueberry Ice	D	1
2021	J	6.87369E+11	Puff Bar - Cool Mint	D	1
2021	J	6.87369E+11	Puff Bar - Grape	D	1
2021	J	6.87369E+11	Puff Bar - Lemon Ice	D	1
2021	J	6.87369E+11	Puff Bar - Lush	D	1
2021	J	6.87369E+11	Puff Bar - Lychee Ice	D	1
2021	J	6.87369E+11	Puff Bar - Mango	D	1
2021	J	6.87369E+11	Puff Bar - Melon Ice	D	1
2021	J	6.87369E+11	Puff Bar - Peace Ice	D	1
2021	J	6.87369E+11	Puff Bar - Strawberry	D	1
2021	J	6.87369E+11	Puff Bar - Starwberry Banana	D	1
2021	J	6.87369E+11	Puff Bar - Tobacco	D	1
2021	J	6.87369E+11	Puff Bar - Watermelon	D	1
2021	J	6.87369E+11	Puff Plus - Banana Ice	D	1
2021	J	6.87369E+11	Puff Plus - Blue Razz	D	1
2021	J	6.87369E+11	Puff Plus - Blueberry Ice	D	1
2021	J	6.87369E+11	Puff Plus - Cool Mint	D	1
2021	J	6.87369E+11	Puff Plus - Guava Ice	D	1
2021	J	6.89396E+11	Puff Plus - Lemon Ice	D	1
2021	J	6.87369E+11	Puff Plus - Lush	D	1
2021	J	6.87369E+11	Puff Plus - Lychee Ice	D	1
2021	J	6.89396E+11	Puff Plus - Mango	D	1
2021	J	6.89396E+11	Puff Plus - Menthol	D	1
2021	J	6.87369E+11	Puff Plus - Mixed Berries	D	1
2021	J	6.89396E+11	Puff Plus - Peach Ice	D	1
2021	J	6.87369E+11	Puff Plus - Straw Watermelon	D	1
2021	J	6.87369E+11	Banana	D	1
2021	J	6.87369E+11	Puff Flow - Aloe Grape	D	1
2021	J	6.87369E+11	Puff Flow - Banana Ice	D	1
2021	J	6.89396E+11	Puff Flow - Blue Razz	D	1
2021	J	6.87369E+11	Puff Flow - Blueberry Ice	D	1
2021	J	6.87369E+11	Puff Flow - Cool Mint	D	1
2021	J	6.87369E+11	Puff Flow - Cran Lemon	D	1

2021	J	6.89396E+11	Puff Flow - Guava Ice	D	1
2021	J	6.89396E+11	Puff Flow - Lemon Ice	D	1
2021	J	6.89396E+11	Puff Flow - Lychee Ice	D	1
2021	J	6.89396E+11	Puff Flow - Mango	D	1
2021	J	6.87369E+11	Puff Flow - Menthol	D	1
2021	J	6.87369E+11	Puff Flow - Passionfruit	D	1
2021	J	6.87369E+11	Puff Flow - Peach Ice	D	1
2021	J	NA	Puff Nano - Apple Pear	D	1
2021	J	NA	Puff Nano - Banana Ice	D	1
2021	J	NA	Puff Nano - Blue Razz	D	1
2021	J	NA	Puff Nano - Blueberry Ice	D	1
2021	J	NA	Puff Nano - Cool Mint	D	1
2021	J	NA	Puff Nano - Grape	D	1
2021	J	NA	Puff Nano - Mango Peach	D	1
2021	J	NA	Puff Nano - Strawberry	D	1
2021	J	NA	Banana	D	1
2021	J	NA	Puff Nano - Watermelon	D	1

NUM-ELIQUIDS (Number of E-Liquids)	ECIG-FLAVORS (Marketing Description of Flavorings)	FLAVOR-CAT (Flavor Category)	NIC-CONCN (Nicotine Concentration as Measured in Milligrams Per Milliliter)	NIC-FORM (Nicotine Form)
1	Banana Ice	O	50mg/ml	O (Synthetic Salt)
1	Blue Razz	O	50mg/ml	O (Synthetic Salt)
1	Blueberry Ice	O	50mg/ml	O (Synthetic Salt)
1	Cool Mint	MIN	50mg/ml	O (Synthetic Salt)
1	Grape	O	50mg/ml	O (Synthetic Salt)
1	Lemon Ice	O	50mg/ml	O (Synthetic Salt)
1	Lush	O	50mg/ml	O (Synthetic Salt)
1	Lychee Ice	O	50mg/ml	O (Synthetic Salt)
1	Mango	O	50mg/ml	O (Synthetic Salt)
1	Melon Ice	O	50mg/ml	O (Synthetic Salt)
1	Peace Ice	O	50mg/ml	O (Synthetic Salt)
1	Strawberry	O	50mg/ml	O (Synthetic Salt)
1	Starwberry Banana	O	50mg/ml	O (Synthetic Salt)
1	Tobacco	T	50mg/ml	O (Synthetic Salt)
1	Watermelon	O	50mg/ml	O (Synthetic Salt)
1	Banana Ice	O	50mg/ml	O (Synthetic Salt)
1	Blue Razz	O	50mg/ml	O (Synthetic Salt)
1	Blueberry Ice	O	50mg/ml	O (Synthetic Salt)
1	Cool Mint	MIN	50mg/ml	O (Synthetic Salt)
1	Guava Ice	O	50mg/ml	O (Synthetic Salt)
1	Lemon Ice	O	50mg/ml	O (Synthetic Salt)
1	Lush	O	50mg/ml	O (Synthetic Salt)
1	Lychee Ice	O	50mg/ml	O (Synthetic Salt)
1	Mango	O	50mg/ml	O (Synthetic Salt)
1	Menthol	MEN	50mg/ml	O (Synthetic Salt)
1	Mixed Berries	O	50mg/ml	O (Synthetic Salt)
1	Peach Ice	O	50mg/ml	O (Synthetic Salt)
1	Straw Watermelon	O	50mg/ml	O (Synthetic Salt)
1	Strawberry Banana	O	50mg/ml	O (Synthetic Salt)
1	Aloe Grape	O	50mg/ml	O (Synthetic Salt)
1	Banana Ice	O	50mg/ml	O (Synthetic Salt)
1	Blue Razz	O	50mg/ml	O (Synthetic Salt)
1	Blueberry Ice	O	50mg/ml	O (Synthetic Salt)
1	Cool Mint	MIN	50mg/ml	O (Synthetic Salt)
1	Cran Lemon	O	50mg/ml	O (Synthetic Salt)

1	Guava Ice	O	50mg/ml	O (Synthetic Salt)
1	Lemon Ice	O	50mg/ml	O (Synthetic Salt)
1	Lychee Ice	O	50mg/ml	O (Synthetic Salt)
1	Mango	O	50mg/ml	O (Synthetic Salt)
1	Menthol	MEN	50mg/ml	O (Synthetic Salt)
1	Passionfruit	O	50mg/ml	O (Synthetic Salt)
1	Peach Ice	O	50mg/ml	O (Synthetic Salt)
1	Apple Pear	O	50mg/ml	O (Synthetic Salt)
1	Banana Ice	O	50mg/ml	O (Synthetic Salt)
1	Blue Razz	O	50mg/ml	O (Synthetic Salt)
1	Blueberry Ice	O	50mg/ml	O (Synthetic Salt)
1	Cool Mint	MIN	50mg/ml	O (Synthetic Salt)
1	Grape	O	50mg/ml	O (Synthetic Salt)
1	Mango Peach	O	50mg/ml	O (Synthetic Salt)
1	Strawberry	O	50mg/ml	O (Synthetic Salt)
1	Strawberry Banana	O	50mg/ml	O (Synthetic Salt)
1	Watermelon	O	50mg/ml	O (Synthetic Salt)



PG/VG-RATIO- PG (PG/VG Ratio - Propylene Glycol)	PG/VG-RATIO-VG (PG/VG Ratio - Vegetable Glycerin)	VOL-ELIQUID (Volume of E- Liquid Per Unit)	UNITSSOLD- DIRECT (Units Sold Directly)	UNITSSOLD- INDIRECT (Units Sold Indirectly)	UNITSSOLD-\$1 (Units Sold at a Price of \$1.00 or Less)
58%	42%	1.8	1361	2705	0
58%	42%	1.8	1199	1921	0
58%	42%	1.8	1441	1411	0
58%	42%	1.8	1695	2760	0
58%	42%	1.8	2119	1180	0
58%	42%	1.8	2740	1410	0
58%	42%	1.8	1020	2150	0
60%	40%	1.8	1048	4360	0
58%	42%	1.8	1791	1418	0
		1.8	1706	1372	0
58%	42%	1.8	2315	4340	0
58%	42%	1.8	1285	1500	0
58%	42%	1.8	1130	2666	0
58%	42%	1.8	1031	924	0
58%	42%	1.8	1794	1360	0
58%	42%	3.5	3916	59491	0
58%	42%	3.5	3840	30191	0
58%	42%	3.5	3673	44920	0
58%	42%	3.5	2162	54770	0
		3.5	3868	43610	0
58%	42%	3.5	88	7600	0
58%	42%	3.5	2614	52290	0
60%	40%	3.5	3811	39170	0
58%	42%	3.5	18	29660	0
58%	42%	3.5	5	6500	0
58%	42%	3.5	3875	28770	0
58%	42%	3.5	9	34580	0
58%	42%	3.5	4699	29010	0
58%	42%	3.5	3417	47850	0
		6.5	0	38260	0
58%	42%	6.5	0	32262	0
58%	42%	6.5	0	31540	0
58%	42%	6.5	0	31450	0
58%	42%	6.5	1	45480	0
		6.5	0	27830	0

		6.5	0	5434	0
58%	42%	6.5	1	19810	0
60%	40%	6.5	0	16970	0
58%	42%	6.5	1	21430	0
58%	42%	6.5	0	24550	0
		6.5	0	27490	0
58%	42%	6.5	0	31830	0
58%	42%	1.2	911	0	0
58%	42%	1.2	650	0	0
58%	42%	1.2	441	0	0
58%	42%	1.2	420	0	0
58%	42%	1.2	504	0	0
58%	42%	1.2	514	0	0
58%	42%	1.2	812	0	0
58%	42%	1.2	502	0	0
58%	42%	1.2	351	0	0
58%	42%	1.2	553	0	0

UNITSGIVEN (Unites Given Away)	SALES-DIRECT (Dollar Sales for Units Sold Directly)	SALES- INDIRECT (Dollar Sales for Units Sold Indirectly)	SALES- \$1 (Dollar Sales for Units Sold at a Price of \$1 or Less)	TOTAL-DEV (Total Devices)	Total-liquids (Total E- Liquids)
0	5107.120	13160.010	0	4066	0
0	5834.060	8705.000	0	3120	0
0	7056.460	6565.000	0	2852	0
0	6443.130	12300.000	0	4455	0
0	12682.440	5230.000	0	3299	0
0	22478.130	6140.000	0	4150	0
0	3013.390	9570.000	0	3170	0
0	4978.580	18110.000	0	5408	0
0	7734.750	6360.000	0	3209	0
0	7875.060	6240.000	0	3078	0
0	10958.180	17870.000	0	6655	0
0	5756.980	6650.000	0	2785	0
0	4627.530	12550.000	0	3796	0
0	5353.940	4200.000	0	1955	0
0	9907.140	6070.000	0	3154	0
0	24005.830	279154.000	0	63407	0
0	22134.010	151754.000	0	34031	0
0	22839.680	203912.500	0	48593	0
0	33468.050	259135.000	0	56932	0
0	24219.810	192567.500	0	47478	0
0	1398.400	39627.500	0	7688	0
0	14469.120	247167.500	0	54904	0
0	23327.450	200740.000	0	42981	0
0	283.200	145527.500	0	29678	0
0	80.000	33697.500	0	6505	0
0	22519.970	146177.500	0	32645	0
0	144.000	148130.000	0	34589	0
0	29027.840	147547.500	0	33709	0
0	20450.070	226040.000	0	51267	0
0		262310.000	0	38260	0
0		221873.000	0	32262	0
0		143170.000	0	31540	0
0		226810.000	0	31450	0
0	20.000	287615.000	0	45481	0
0		210020.000	0	27830	0

0		105310.000	0	5434	0
0	20.000	104695.000	0	19811	0
0		112310.000	0	16970	0
0	20.000	114445.000	0	21431	0
0		185565.000	0	24550	0
0		207820.000	0	27490	0
0		229225.000	0	31830	0
0	2446.630	0	0	911	0
0	3295.970	0	0	650	0
0	1363.080	0	0	441	0
0	1138.120	0	0	420	0
0	564.090	0	0	504	0
0	1821.690	0	0	514	0
0	2240.300	0	0	812	0
0	1477.090	0	0	502	0
0	807.120	0	0	351	0
0	1837.720	0	0	553	0

TOTAL- ELIQUID- VOL (Total E-Liquid Volume)
7318.8
5616
5133.6
8019
5938.2
7470
5706
9734.4
5776.2
5540.4
11979
5013
6832.8
3519
5677.2
221924.5
119108.5
170075.5
199262
166173
26908
192164
150433.5
103873
22767.5
114257.5
121061.5
60676.2
179434.5
248690
209703
205010
204425
295626.5
180895



35321
128771.5
110305
139301.5
159575
178685
206895
1093.2
780
529.2
504
604.8
616.8
974.4
602.4
421.2
663.6

# Exhibit 37

product_title	product_vendor	product_type	net_quantity
Cool Mint	Puff Max	Disposable	12175
Lychee Ice	Puff Flow	Disposable	14520
Blueberry Ice	Puff Max	Disposable	11760
Mango Peach Watermelon	Puff Max	Disposable	11290
Pineapple Mango Orange	Puff Max	Disposable	10970
Aloe Grape	Puff Max	Disposable	10860
Banana Ice	Puff Max	Disposable	10160
Blue Razz	Puff Flow	Disposable	11800
Cool Mint	Puff Plus	Disposable	15370
Aloe Grape	Puff Flow	Disposable	10620
Mango	Puff Flow	Disposable	10120
Guava Ice	Puff Flow	Disposable	9898
Kiwi Strawberry	Puff Flow	Disposable	9699
Cool Mint	Puff Flow	Disposable	9610
Watermelon	Puff Flow	Disposable	8650
Blueberry Ice	Puff Plus	Disposable	11460
Mystery	Puff Max	Disposable	6760
Clear	Puff Max	Disposable	6555
Lush	Puff Plus	Disposable	9820
Lychee Ice	Puff Plus	Disposable	9450
Tangerine Ice	Puff Flow	Disposable	7360
Straw Watermelon	Puff Plus	Disposable	8330
Strawberry Banana	Puff Plus	Disposable	7050
Blue Razz	Puff Plus	Disposable	6650
Banana Ice	Puff Plus	Disposable	6710
Blueberry Ice	Puff Flow	Disposable	5150
Kept PP Mango, Peach Watermelon	Puff Flow	Disposable	6000
Mixed Berries	Puff Plus	Disposable	5970
Passionfruit	Puff Flow	Disposable	4660
Peach Ice	Puff Plus	Disposable	5690
Peach Mango Pineapple	Puff Flow	Disposable	4000
Guava Ice	Puff Plus	Disposable	5040
Banana Ice	Puff Flow	Disposable	4310

<b>Watermelon</b>	Puff Plus	Disposable	5058
<b>Aloe Mango Melon Ice</b>	Puff Flow	Disposable	3690
<b>Cran Lemon</b>	Puff Flow	Disposable	3790
<b>Lemon Ice</b>	Puff Flow	Disposable	3660
<b>Mystery</b>	Puff Flow	Disposable	3140
<b>Aloe Mango Berry</b>	Puff Plus	Disposable	3760
<b>Aloe Grape</b>	Puff Plus	Disposable	3610
<b>Mystery (white gummy)</b>	Puff Max	Disposable	2480
<b>Menthol</b>	Puff Plus	Disposable	3390
<b>Peach Ice</b>	Puff Flow	Disposable	2860
<b>Menthol</b>	Puff Flow	Disposable	2350
<b>Mango</b>	Puff Plus	Disposable	2190
<b>Clear</b>	Puff Plus	Disposable	2420
<b>Lemon Razz</b>	Puff Flow	Disposable	1830
<b>Grape</b>	Puff Bar	Disposable	2590
<b>Mango</b>	Puff Bar	Disposable	2330
<b>Strawberry</b>	Puff Bar	Disposable	2950
<b>Lemon Ice</b>	Puff Plus	Disposable	1630
<b>Banana Ice</b>	Puff Bar	Disposable	1960
<b>Blueberry Ice</b>	Puff Bar	Disposable	2590
<b>Guava Ice</b>	Puff Bar	Disposable	2060
<b>Tobacco 800</b>	Puff Plus	Disposable	2010
<b>Cool Mint</b>	Puff Bar	Disposable	1590
<b>Tobacco</b>	Puff Plus	Disposable	1290
<b>Lemon Razz</b>	Puff Plus	Disposable	940
<b>Passionfruit 5%</b>	Puff Flow	Disposable	880
<b>Peach Ice</b>	Puff Bar	Disposable	1380
<b>Menthol</b>	Puff Bar	Disposable	930
<b>Watermelon</b>	Puff Bar	Disposable	1250
<b>Tobacco</b>	Puff Bar	Disposable	930
<b>Flow - Aloe Mango Melon Ice</b>	Puff Flow	Disposable	570
<b>Flow - Mystery (White Gummy)</b>	Puff Flow	Disposable	550
<b>Flow - Peach Pine Apple</b>	Puff Flow	Disposable	550
<b>Mystery- Flow</b>	Puff Flow	Disposable	580

<b>Aloe Mango Melon Ice- Flow</b>	Puff Flow	Disposable	570
<b>Lemon Ice</b>	Puff Bar	Disposable	560
<b>Peach Mango Pineapple- Flow</b>	Puff Flow	Disposable	430
<b>Watermelon 1800</b>	Puff Flow	Disposable	400
<b>Kiwi Strawberry 1800</b>	Puff Flow	Disposable	400
<b>Tangerine Ice 1800</b>	Puff Flow	Disposable	400
<b>Blueberry Ice 5%</b>	Puff Bar	Disposable	170
<b>Cool Mint 5%</b>	Puff Bar	Disposable	160
<b>Cran Lemon 1800</b>	Puff Flow	Disposable	300
<b>Pineapple Mango Orange 5%</b>	Puff Max	Disposable	110
<b>Mango Peach Watermelon 5%</b>	Puff Max	Disposable	110
<b>Watermelon 800</b>	Puff Plus	Disposable	160
<b>Straw Watermelon 800</b>	Puff Plus	Disposable	150
<b>Tangerine Ice 1800</b>	Puff Flow	Disposable	110
<b>Kiwi Strawberry 1800</b>	Puff Flow	Disposable	110
<b>Banana Ice 5%</b>	Disposable	Disposable	70
<b>Blueberry Ice 800</b>	Puff Plus	Disposable	130
<b>Blue Razz 800</b>	Puff Plus	Disposable	130
<b>Tobacco</b>	Puff Flow	Disposable	190
<b>Mixed Berries 800</b>	Puff Plus	Disposable	110
<b>Peach Ice 800</b>	Puff Plus	Disposable	110
<b>Banana Ice 800</b>	Puff Plus	Disposable	120
<b>Cran Lemon 1800</b>	Puff Flow	Disposable	100
<b>Watermelon 1800</b>	Puff Flow	Disposable	70
<b>Clear 5%</b>	Disposable	Disposable	40
<b>Aloe Grape 5%</b>	Disposable	Disposable	40
<b>Guava Ice 1800</b>	Puff Flow	Disposable	70
<b>Strawberry Banana 800</b>	Puff Plus	Disposable	60
<b>Mystery (white gummy) 5%</b>	Disposable	Disposable	30
<b>Lemon Ice 1800</b>	Puff Flow	Disposable	50
<b>Menthol 1800</b>	Puff Flow	Disposable	50
<b>Flow - Mystery</b>	Puff Flow	Disposable	20
<b>Aloe Grape 5%</b>	Disposable	Disposable	20
<b>Mango Peach Watermelon 5%</b>	Disposable	Disposable	20



<b>Aloe Grape- Plus</b>	Puff Plus	Disposable	29
<b>Puff Flow - Mystery</b>	Puff Flow	Disposable	20
<b>Plus - Aloe Grape</b>	Puff Plus	Disposable	20
<b>Plus - Clear</b>	Puff Plus	Disposable	20
<b>Plus - Aloe Mango Berry</b>	Puff Plus	Disposable	20
<b>Puff Flow - Lemon Ice</b>	Puff Flow	Disposable	20
<b>Puff Flow - Kiwi Strawberry</b>	Puff Flow	Disposable	20
<b>Puff Flow - Cran Lemon</b>	Puff Flow	Disposable	20
<b>Puff Flow - Blue Razz</b>	Puff Flow	Disposable	20
<b>Puff Flow - Blueberry Ice</b>	Puff Flow	Disposable	20
<b>Flow- Aloe Mango Berry</b>	Puff Flow	Disposable	20
<b>Flow- Peach Mango Pineapple</b>	Puff Flow	Disposable	20
<b>Puff Flow - Mango</b>	Puff Flow	Disposable	20
<b>Puff Flow - Passionfruit</b>	Puff Flow	Disposable	20
<b>Puff Flow - tangerine Ice</b>	Puff Flow	Disposable	20
<b>Flow- Mystery</b>	Puff Flow	Disposable	20
<b>Flow- Aloe Mango Melon Ice</b>	Puff Flow	Disposable	20
<b>PB-MINT-L</b>	Puff Bar	Disposable	30
<b>PB-LUSH-L</b>	Puff Bar	Disposable	30
<b>Plus- Aloe Grape</b>	Puff Plus	Disposable	20
<b>Puff Plus - Blue Razz</b>	Puff Plus	Disposable	20
<b>Plus- Aloe Mango Berry</b>	Puff Plus	Disposable	20
<b>Plus- Clear</b>	Puff Plus	Disposable	20
<b>Puff Plus - Mango</b>	Puff Plus	Disposable	20
<b>Puff Plus - Straw Watermelon</b>	Puff Plus	Disposable	20
<b>Puff Plus - Blueberry Ice</b>	Puff Plus	Disposable	20
<b>Puff Plus - Peach Ice</b>	Puff Plus	Disposable	20
<b>Pineapple Mango Orange 5%</b>	Puff Max	Disposable	10
<b>Strawberry Apple Peach</b>	Puff Max	Disposable	10
<b>Puff Flow - Aloe Mango melon Ice</b>	Puff Flow	Disposable	10
<b>Puff Flow - Peach Pine Apple</b>	Puff Flow	Disposable	10
<b>Puff Plus - Lemon Ice</b>	Puff Plus	Disposable	20
<b>Puff Bar - Cool Mint</b>	Puff Bar	Disposable	20
<b>Puff Bar - Mango</b>	Puff Bar	Disposable	20

<b>Puff Bar - Grape</b>	Puff Bar	Disposable	20
<b>PB-WATER-L</b>	Puff Bar	Disposable	20
<b>PB-LYCHEE-L</b>	Puff Bar	Disposable	20
<b>PB-STRAW-L</b>	Puff Bar	Disposable	20
<b>PB-BLUE-L</b>	Puff Bar	Disposable	20
<b>PB-RAZZ-L</b>	Puff Bar	Disposable	20
<b>PB-LEMON-L</b>	Puff Bar	Disposable	20
<b>PB-STRAWBAN-L</b>	Puff Bar	Disposable	20
<b>PB-PEACH-L</b>	Puff Bar	Disposable	20
<b>Puff Flow - Aloe mango Melon Ice</b>	Puff Flow	Disposable	10
<b>Puff Plus - Aloe Grape</b>	Puff Plus	Disposable	10
<b>Puff Plus - Aloe Mango Berry</b>	Puff Plus	Disposable	10
<b>Puff Plus - Clear</b>	Puff Plus	Disposable	10
<b>Aloe Mango Berry 5%</b>	Puff Plus	Disposable	10
<b>Aloe Mango Berry- Plus</b>	Puff Plus	Disposable	10
<b>Lemon Ice 800</b>	Puff Plus	Disposable	10
<b>PB-MELON-L</b>	Puff Bar	Disposable	10
<b>Melon Ice</b>	Puff Bar	Disposable	-90
<b>Blue Razz</b>	Puff Bar	Disposable	-180
<b>Lychee Ice</b>	Puff Bar	Disposable	-650
<b>Lush</b>	Puff Bar	Disposable	-830
<b>Strawberry Banana</b>	Puff Bar	Disposable	-970

gross_sales	discounts	returns	net_sales	total_sales
149292.500	-24761.830	-24630.000	99900.670	99900.670
186710.000	-41027.510	-46285.000	99397.490	99397.490
136239.500	-19214.090	-18480.000	98545.410	98545.410
117239.500	-14870.770	-8445.000	93923.730	93923.730
120935.000	-16826.660	-12970.000	91138.340	91138.340
112955.000	-13889.610	-8285.000	90780.390	90780.390
130245.000	-21306.390	-24725.000	84213.610	84213.610
118973.000	-31940.540	-8931.400	78101.060	78101.060
178781.500	-44109.660	-59357.500	75314.340	75314.340
176960.000	-40318.290	-66800.000	69841.710	69841.710
107840.000	-26841.100	-12150.380	68848.520	68848.520
97581.000	-26122.580	-5845.000	65613.420	65613.420
92730.500	-24837.890	-3502.500	64390.110	64390.110
196905.000	-41275.920	-94609.370	61019.710	61019.710
86835.000	-20036.590	-7375.000	59423.410	59423.410
97725.000	-23949.550	-15210.000	58565.450	58565.450
69445.000	-8480.220	-4445.000	56519.780	56519.780
62462.500	-8120.430	-190.000	54152.070	54152.070
81945.000	-18143.450	-12495.000	51306.550	51306.550
76345.000	-19129.250	-9380.000	47835.750	47835.750
69745.000	-20691.610	-1300.000	47753.390	47753.390
69706.500	-14933.180	-11006.500	43766.820	43766.820
69241.500	-16697.080	-17261.500	35282.920	35282.920
80000.000	-20631.470	-25442.500	33926.030	33926.030
88190.000	-23827.340	-30465.000	33897.660	33897.660
62065.000	-17474.580	-13145.000	31445.420	31445.420
31500.000	-439.080	0.000	31060.920	31060.920
64510.000	-16505.570	-18182.500	29821.930	29821.930
57238.000	-14811.160	-12745.500	29681.340	29681.340
59540.000	-15613.340	-16130.000	27796.660	27796.660
33770.000	-6139.940	-1005.000	26625.060	26625.060
45120.000	-10640.190	-8572.500	25907.310	25907.310
56048.000	-14166.970	-16042.500	25838.530	25838.530

52592.000	-13186.530	-13682.500	25722.970	25722.970
30240.000	-6108.690	-75.000	24056.310	24056.310
46415.000	-11818.760	-10610.000	23986.240	23986.240
39485.000	-9312.220	-6595.000	23577.780	23577.780
61358.000	-13566.590	-26497.580	21293.830	21293.830
24855.000	-3671.090	-180.000	21003.910	21003.910
23855.000	-3191.630	-240.000	20423.370	20423.370
30685.000	-5479.670	-4875.000	20330.330	20330.330
25725.000	-6031.250	-2654.710	17039.040	17039.040
38560.000	-9811.940	-12515.000	16233.060	16233.060
31960.000	-6174.080	-10030.900	15755.020	15755.020
29625.000	-5671.260	-11630.000	12323.740	12323.740
16041.500	-3864.750	-186.500	11990.250	11990.250
14960.000	-2945.420	-320.000	11694.580	11694.580
17275.000	-1853.370	-3910.500	11511.130	11511.130
15685.000	-1695.510	-3660.000	10329.490	10329.490
17950.000	-5430.760	-2850.000	9669.240	9669.240
18205.000	-3414.310	-6045.000	8745.690	8745.690
14900.000	-1553.970	-4625.500	8720.530	8720.530
15450.000	-4676.370	-2400.000	8373.630	8373.630
13895.000	-2699.750	-3175.000	8020.250	8020.250
13065.000	-5855.500	0.000	7209.500	7209.500
15480.000	-1725.000	-6810.000	6945.000	6945.000
11175.000	-2136.370	-2260.000	6778.630	6778.630
6485.000	-425.000	-355.000	5705.000	5705.000
7040.000	-1437.500	0.000	5602.500	5602.500
10050.000	-3097.580	-2800.000	4152.420	4152.420
6795.000	-640.000	-2035.000	4120.000	4120.000
9700.000	-2603.180	-3100.000	3996.820	3996.820
6650.000	-1190.400	-1780.000	3679.600	3679.600
3765.000	-275.000	0.000	3490.000	3490.000
3575.000	-275.000	0.000	3300.000	3300.000
3575.000	-275.000	0.000	3300.000	3300.000
4260.000	-1229.000	-150.000	2881.000	2881.000

3995.000	-1189.000	0.000	2806.000	2806.000
5045.000	-893.840	-2115.500	2035.660	2035.660
3205.000	-1229.000	-150.000	1826.000	1826.000
3000.000	-1200.000	0.000	1800.000	1800.000
3000.000	-1200.000	0.000	1800.000	1800.000
3000.000	-1200.000	0.000	1800.000	1800.000
1615.000	-96.380	0.000	1518.620	1518.620
1520.000	-96.570	0.000	1423.430	1423.430
2250.000	-900.000	0.000	1350.000	1350.000
1045.000	-64.830	0.000	980.170	980.170
1045.000	-64.840	0.000	980.160	980.160
1040.000	-342.370	0.000	697.630	697.630
975.000	-311.870	0.000	663.130	663.130
825.000	-194.040	0.000	630.960	630.960
825.000	-194.040	0.000	630.960	630.960
665.000	-39.500	0.000	625.500	625.500
845.000	-278.410	0.000	566.590	566.590
845.000	-278.410	0.000	566.590	566.590
9365.000	-1461.000	-7370.000	534.000	534.000
715.000	-238.410	0.000	476.590	476.590
715.000	-238.410	0.000	476.590	476.590
780.000	-307.750	0.000	472.250	472.250
750.000	-300.000	0.000	450.000	450.000
525.000	-112.380	0.000	412.620	412.620
380.000	-9.500	0.000	370.500	370.500
380.000	-29.720	0.000	350.280	350.280
3000.000	-1200.000	-1485.000	315.000	315.000
390.000	-124.750	0.000	265.250	265.250
285.000	-20.920	0.000	264.080	264.080
375.000	-150.000	0.000	225.000	225.000
375.000	-150.000	0.000	225.000	225.000
190.000	0.000	0.000	190.000	190.000
190.000	0.000	0.000	190.000	190.000
190.000	0.000	0.000	190.000	190.000



524.000	-50.000	-300.000	174.000	174.000
245.000	-12.140	-75.000	157.860	157.860
140.000	0.000	0.000	140.000	140.000
140.000	0.000	0.000	140.000	140.000
140.000	0.000	0.000	140.000	140.000
355.000	0.000	-225.000	130.000	130.000
1930.000	0.000	-1800.000	130.000	130.000
1480.000	0.000	-1350.000	130.000	130.000
130.000	0.000	0.000	130.000	130.000
205.000	-6.250	-68.750	130.000	130.000
130.000	0.000	0.000	130.000	130.000
130.000	0.000	0.000	130.000	130.000
130.000	0.000	0.000	130.000	130.000
130.000	0.000	0.000	130.000	130.000
130.000	0.000	0.000	130.000	130.000
130.000	0.000	0.000	130.000	130.000
130.000	0.000	0.000	130.000	130.000
103.500	0.000	0.000	103.500	103.500
103.500	0.000	0.000	103.500	103.500
100.000	0.000	0.000	100.000	100.000
100.000	0.000	0.000	100.000	100.000
100.000	0.000	0.000	100.000	100.000
100.000	0.000	0.000	100.000	100.000
100.000	0.000	0.000	100.000	100.000
100.000	0.000	0.000	100.000	100.000
100.000	0.000	0.000	100.000	100.000
100.000	0.000	0.000	100.000	100.000
95.000	0.000	0.000	95.000	95.000
95.000	-2.130	0.000	92.870	92.870
95.000	-5.890	0.000	89.110	89.110
95.000	-5.890	0.000	89.110	89.110
70.000	0.000	0.000	70.000	70.000
70.000	0.000	0.000	70.000	70.000
70.000	0.000	0.000	70.000	70.000

70.000	0.000	0.000	70.000	70.000
69.000	0.000	0.000	69.000	69.000
69.000	0.000	0.000	69.000	69.000
69.000	0.000	0.000	69.000	69.000
69.000	0.000	0.000	69.000	69.000
69.000	0.000	0.000	69.000	69.000
69.000	0.000	0.000	69.000	69.000
69.000	0.000	0.000	69.000	69.000
69.000	0.000	0.000	69.000	69.000
75.000	-6.250	0.000	68.750	68.750
130.000	-4.340	-60.000	65.660	65.660
70.000	-4.340	0.000	65.660	65.660
130.000	-4.340	-60.000	65.660	65.660
65.000	-3.900	0.000	61.100	61.100
200.000	-20.000	-120.000	60.000	60.000
65.000	-30.500	0.000	34.500	34.500
34.500	0.000	0.000	34.500	34.500
3600.000	-324.500	-3645.500	-370.000	-370.000
3300.000	-119.500	-3800.500	-620.000	-620.000
150.000	0.000	-3030.000	-2880.000	-2880.000
0.000	0.000	-3750.000	-3750.000	-3750.000
50.000	0.000	-4500.000	-4450.000	-4450.000

# Exhibit 38



EARLY ACCESS TO

## SOLO BREAK

Nothing can take away the sunshine or your individuality. This spring break, sit back and relax solo. Enjoy a Puff Bar in the comfort of your own home...

[SHOP NOW](#)

### THE PERFECT MIX



Drop in and shop our top flavors today. You won't be disappointed. There's a reason that we've been one of the top, highest growing e-cig brands in the world. Our earth-friendly, independently sourced, unique flavor combinations are guaranteed to please. Puff puff, buy (don't pass) before we sell out for the 4th time this year again.

[SHOP NOW](#)

### SPECIFICATIONS AND FEATURES

Sporting a 280mAh battery and direct draw system, the Puff Bar has enough power to deliver excellent flavor without any charging or complicated settings. Just inhale to fire up the pre-filled device.

DISPOSABLE DEVICE:  
NO MAINTENANCE,  
CHARGING OR REFILLING

UP TO 300+ PUFFS  
PER DISPOSABLE

PRE-FILLED, NO NEED  
FOR MESSY REFILLS

COMPACT, LIGHT,  
AND PORTABLE

BATTERY:  
280MAH

PRE-FILLED:  
1.3ML SALT NIC

WARNING:  
This product  
contains nicotine.  
Nicotine is  
an addictive  
chemical.

[SHOP NOW](#)

### THEY SAID IT, NOT US

**GOOD PRODUCT**

I enjoyed them very much and will be ordering more very soon.

PAMEULA S.

**GREAT PRODUCT**

The cool smoke leaves a superb after taste & isn't TOO sweet like most fruity flavors.

KELLY P.

**WARNING: This product contains nicotine.  
Nicotine is an addictive chemical.**

[WWW.PUFFBAR.COM](#)

251 Little Falls Drive Wilmington County, DE 19808

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[privacy policy](#)



## SOLO BREAK

We know that the inside-vibes have been... quite a challenge. Stay sane with Puff Bar this solo-break. We know you'll love it. It's the perfect escape from the back-to-back zoom calls, parental texts, and WFH stress.

[SHOP NOW](#)

## THE PERFECT MIX



Drop in and shop our top flavors today. You won't be disappointed. There's a reason that we've been one of the top, highest growing e-cig brands in the world. Our earth-friendly, independently sourced, unique flavor combinations are guaranteed to please. Puff puff, buy (don't pass) before we sell out for the 4th time this year again.

[SHOP NOW](#)

## SPECIFICATIONS AND FEATURES

Sporting a 280mAh battery and direct draw system, the Puff Bar has enough power to deliver excellent flavor without any charging or complicated settings. Just inhale to fire up the pre-filled device.

DISPOSABLE DEVICE:  
NO MAINTENANCE,  
CHARGING OR REFILLING

UP TO 300+ PUFFS  
PER DISPOSABLE

PRE-FILLED, NO NEED  
FOR MESSY REFILLS

COMPACT, LIGHT,  
AND PORTABLE

BATTERY:  
280MAH

PRE-FILLED:  
1.3ML SALT NIC

WARNING:  
This product  
contains nicotine.  
Nicotine is  
an addictive  
chemical.

[SHOP NOW](#)

## THEY SAID IT, NOT US

**GOOD PRODUCT**

I enjoyed them very much and will be ordering more very soon.

PAMEULA S.

**GREAT PRODUCT**

The cool smoke leaves a superb after taste & isn't TOO sweet like most fruity flavors.

KELLY P.



**WARNING: This product contains nicotine.  
Nicotine is an addictive chemical.**

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[privacy policy](#)



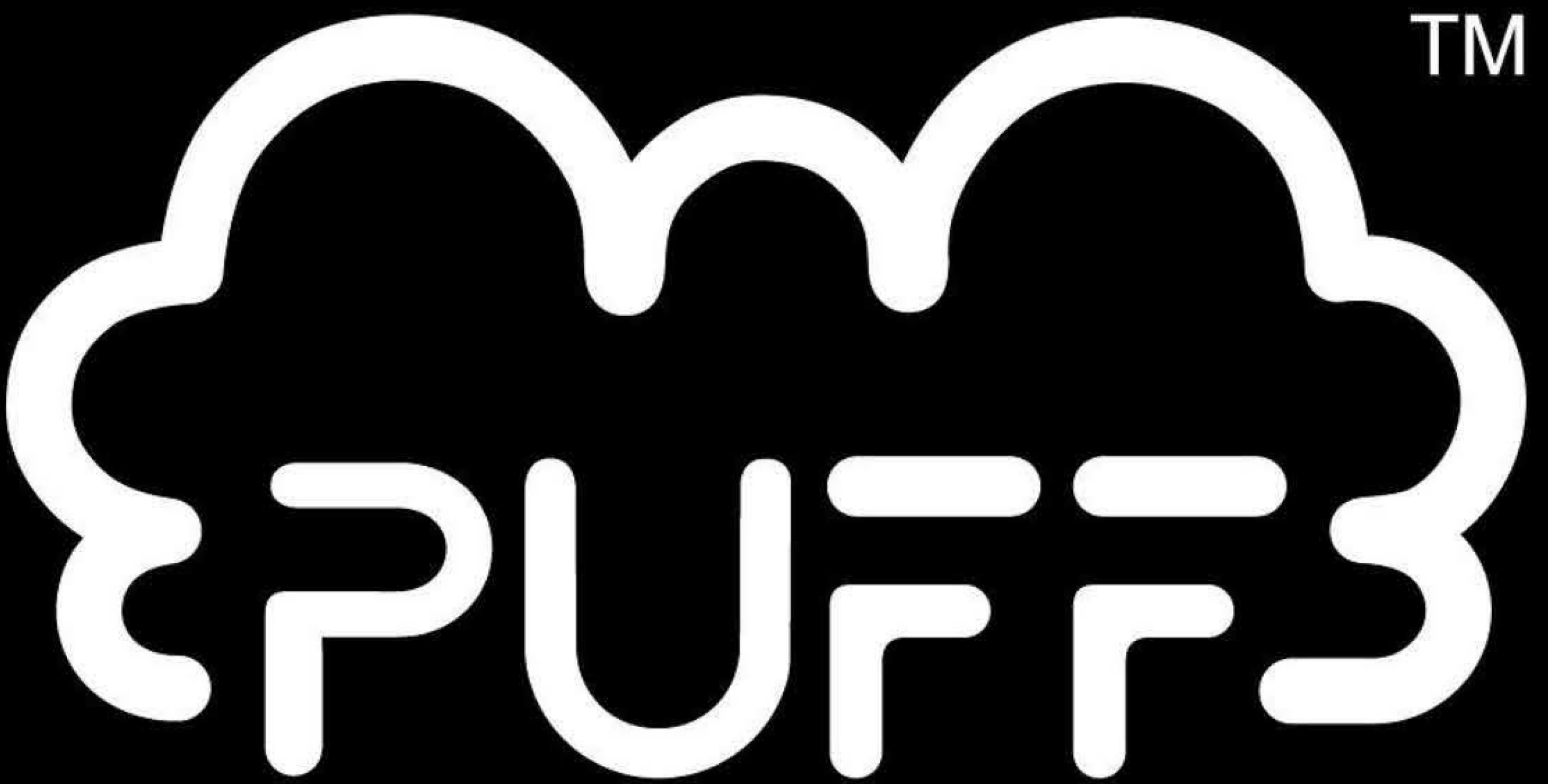
# Exhibit 39



PUFFBAR  
Posts



puffbar



View insights

Boost again



Liked by patbeltran\_ and 1,917 others

**puffbar** Theres a reason we call everything a Puff Bar.

View all 364 comments

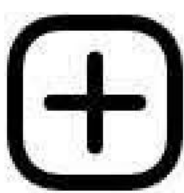
**[redacted]** @puffbar yes I know that. I know they're a master distributor of elf bar. I purchase from them for my shop.



**puffbar** @ [redacted] was confused why tagged them.



August 15, 2022



# Exhibit 40





# Business account restriction



Puff Bar



## Account restricted

As of January 3, 2023

[View restrictions](#)

## What happened

This Meta Business Account is currently restricted from advertising because it didn't comply with our Advertising policies affecting business assets.

[Learn more about these policies.](#)



# Exhibit 41



## TABLE OF CONTENTS

TABLE OF CONTENTS.....	1
1 EXECUTIVE SUMMARY .....	2
2 MARKET LANDSCAPE .....	4
2.1 EVO Brands Mission Statement .....	4
2.2 Product Positioning.....	4
2.3 Situational Analysis .....	4
2.3.1 Market & Environmental Factors .....	4
2.3.2 Competitive Landscape.....	5
3 SALES & DISTRIBUTION .....	6
4 TARGET MARKET & DISTRIBUTION.....	8
4.1 Target Demographics and Buyer Personas .....	8
4.1.1 E-Cigarette Users .....	8
4.1.2 Key Target Audience: Characteristics of Tobacco Users .....	8
4.1.3 Reasons for ENDS Use.....	9
4.1.4 Reasons for Variation in ENDS E-Liquid Flavor Use.....	9
4.2 Buyer Personas.....	9
4.2.1 First-Time ENDS Buyers.....	10
4.2.2 Ongoing ENDS Users .....	10
5 MARKETING OBJECTIVES & STRATEGY .....	11
5.1 Marketing Objectives.....	11
5.2 Distribution Strategy and Tactics.....	12
5.2.1 Distribution Channels .....	12
5.2.2 Distribution Partners .....	15
5.2.3 Monitoring & Compliance.....	16
5.3 Promotion Strategy and Tactics .....	19
5.3.1 Promotional Channels.....	22
5.4 Investment: 12 Month View .....	23
6 POSTMARKET SURVEILLANCE.....	24
7 REFERENCES .....	25

## 1 EXECUTIVE SUMMARY

EVO Brands LLC (“EVO”) intends to ensure that all of its marketing efforts for its Puff disposable ENDS products are targeted toward existing combustible cigarette smokers and current users of ENDS products while minimizing the risk that its marketing may cause youth or non-tobacco users to initiate use of the Puff products through a multi-pronged strategy.

EVO’s disposable ENDS products—the Puff Plus, Puff Flow, Puff Max, and Puff Ultra—are positioned in the highly fragmented ENDS market in a manner that is intended to make them attractive to existing combustible cigarette smokers and ENDS users who are looking for a compact, easy-to-use device that is less expensive than larger “mod” systems that require the user to regularly refill them with e-liquids and periodically replace components such as coils and batteries, but more expensive than competing cartridge-based products whose low prices may make them more attractive to youth.

The Puff ENDS products have been and currently are distributed primarily through a single master distributor that distributes the products through brick-and-mortar retail stores, particularly specialty vape retail shops and independent convenience stores. Assuming market conditions permit, in the short term, EVO intends to continue to rely on a master distributor for the distribution of its products before gradually opening distribution to other distributors or taking distribution in-house and selling directly to retailers. EVO also expects to launch direct-to-consumer sales through its website once its affiliate entity charged with distribution operations, PVG2, LLC (“PVG2”), has received all necessary state retail tobacco licenses to comply with the federal Prevent All Cigarette Trafficking (PACT) Act that was expanded in 2021 to include ENDS products.

EVO’s target purchaser for its Puff products is an adult who is at least 21 years old who is either an existing combustible cigarette smoker or an existing user of other ENDS products who is looking for a better product or experience. Available evidence suggests that use of ENDS products helps such individuals end their reliance on combustible cigarettes and that, in addition to tobacco and menthol-flavored Puff ENDS products, non-tobacco and non-menthol flavors like the watermelon-, kiwi strawberry-, and peach pineapple-flavored Puff ENDS products can assist smokers in successfully making the switch from combustible cigarettes.

All marketing activities related to the Puff ENDS products are driven by two primary objectives: (1) to make the Puff ENDS products attractive to current adult users of more harmful combustible cigarettes and (2) to avoid marketing activities that may attract youth and current non-users of any type of tobacco product to initiate use of tobacco products, including the Puff ENDS products.

For these reasons, EVO and its affiliate that conducts distribution operations, PVG2, do not currently engage in any consumer-focused marketing beyond operating a website that provides information on the Puff ENDS products. EVO and PVG2 also dedicate substantial resources to attempting to curtail and eliminate counterfeit products bearing the Puff trademarks that are imported, marketed, and sold by bad actors that do not have the same commitment to limiting and preventing youth exposure and access. As part of these efforts, EVO and PVG2 have sent numerous cease-and-desist letters to companies and individuals marketing and selling counterfeit Puff products, as well as initiated federal district court lawsuits against high-volume counterfeiters. Additionally, EVO submits takedown requests when it identifies social media and websites

operated by illegitimate sellers of counterfeit disposable ENDS products bearing the Puff marks or who falsely purport to be acting on behalf of EVO or PVG2 or use the trademarked PUFF BAR® name, image, or likeness. EVO is also preparing to shortly file suit against a web domain controlled from overseas that essentially duplicated EVO's legitimate website, [www.puffbar.com](http://www.puffbar.com), for violations of the Lanham Act and the Anti-Cybersquatting Consumer Protection Act.

Moving forward, EVO and PVG2 will continue to limit consumer-focused marketing, and will require retailers and distributors of the Puff products to enter into detailed distributor and retailer agreements that, among other things, strictly limit the types of advertising and marketing activities in which those parties may engage regarding the Puff products to minimize the risk that the products will be seen as attractive by youth or other current non-users of other tobacco products. For those retailers resistant to or unable to enter into full-scope retailer agreements, such as convenience stores, EVO will require agreement to and adherence to principles and policies aimed at eliminating the risk of youth access and exposure to the Puff products.

Each element of EVO's marketing and product distribution plans reflects adherence to the company's guiding objectives of maximizing the public health benefit its products offer to combustible cigarette smokers and existing ENDS users while minimizing the possibility of initiation by youth or other non-tobacco-product users.

## **5 MARKETING OBJECTIVES & STRATEGY**

All marketing activities related to Puff products are driven by two primary objectives: (1) to make Puff disposable ENDS products an attractive product to current adult users of more harmful combustible cigarettes and (2) to avoid marketing activities that may attract youth and current non-users of any type of tobacco product to initiate use of tobacco products, including Puff disposable ENDS products. EVO takes seriously its obligation to ensure that its marketing efforts do not attract youth or other current non-users of tobacco products to initiate use of tobacco products through the Puff products.

To this end, EVO and PVG engage in only very limited consumer-facing marketing, instead focusing their marketing efforts on business customers and educating retailers about the benefits of the Puff disposable ENDS products. If EVO is issued a marketing order for the Puff products, it will require that all of its vape shop retailers and distributors enter into detailed written agreements (the terms of which are described in greater detail below) to ensure that they comply with all legal requirements associated with the marketing and sale of the Puff products, do not engage in certain advertising activities that may be more likely to make the product appeal to youth, and do not publish any advertising content that is not first reviewed and approved by EVO and PVG2. Convenience store retailers, who may be unable to or resistant to entering into detailed retailer agreements that may contain many provisions that are inapplicable to their business operations or beyond the scope of their typical marketing practices, will be expected to agree to a streamlined agreement and principles intended to ensure their compliance with all applicable laws and that they will take necessary steps to reduce youth exposure and eliminate youth access to Puff disposable ENDS products.

### **5.1 Marketing Objectives**

EVO's primary objective is to ensure that the Puff products prove attractive to its target audience—current adult cigarette smokers and ENDS users—only, and help improve their health outcomes. EVO intends to focus its marketing efforts on distribution and marketing channels that primarily target these individuals without unduly attracting unintended audiences, including current non-users of tobacco products and Youth. Finally, EVO intends to avoid encouraging dual- or poly-use of Puff products and combustible cigarettes or other combustible tobacco products except through substitution as part of a consumer's transition away from more harmful combustible tobacco products and to Puff products.

These objectives will be met through EVO's and PVG2's tight control of distribution channels and marketing. EVO and PVG2 will emphasize business-to-business marketing and educating retailers on Puff products and limiting the marketing of the products to appropriate consumers from the intended audience of adult smokers and current ENDS product users.

To ensure continued marketing that limits youth exposure and access, should it receive a marketing order, EVO and PVG2 will require that its vape shop retailers and distributors enter into detailed written agreements (the terms of which are described in greater detail below) to ensure that they comply with all legal requirements associated with the marketing and sale of Puff products, do not engage in certain advertising activities that may be more likely to make the products appeal to youth, and do not publish any advertising content that is not first reviewed and approved by EVO.

For those retailers, such as convenience stores, that are unable or resistant to agree to the more extensive retailer agreements, they will need to agree to written principles and limitations more germane to their more limited operations and marketing.

#### **5.1.1.1 Pricing Strategy**

EVO has pursued a pricing strategy for its Puff products intended to make them affordable but still more expensive than many of the cheaper disposable devices that may be more attractive to youth. When compared to comparable disposable ENDS products, the Puff products maintain that position by being more expensive than some disposable devices that sell in the \$8-11 range, while less expensive than other disposable devices that sell in the \$20-24 range.

### **5.2 Distribution Strategy and Tactics**

#### **5.2.1 Distribution Channels**

As noted above, EVO has and currently relies on distribution through a single master distributor who then distributes the products through retailers, particularly specialty brick-and-mortar vape retail shops and independent convenience stores. In the short term, EVO intends to continue relying on this distribution system for the distribution of Puff products before gradually opening distribution to other large volume distributors and selling directly to retailers.

To complement sales through brick-and-mortar retail, EVO and its affiliate, PVG2, also maintain a basic age-gated website, puffbar.com, where consumers can learn about the Puff products. Consumers can also verify the legitimacy of any Puff product that they may have purchased, and if the product cannot be verified as a legitimate Puff product, report the seller of the counterfeit product.

If a marketing order is issued, EVO, through PVG2 and the puffbar.com website, expects to launch direct-to-consumer sales once all necessary state licenses have been obtained to comply with the federal PACT Act that was expanded in March 2021 to include ENDS products. Before being able to purchase Puff products directly through the website, consumers will need to have their age and identity verified through a third-party age verification service, AgeChecker.net. They will again have to have their age verified by the delivery service prior to receipt of the package containing the Puff products as well.

#### **5.2.1.1 Vape Shop Retailers**

Historically, in addition to convenience stores, Puff products have been marketed through brick and mortar vape shops that are independently owned and carry a wide variety of vaping devices and e-liquid products. PVG2's internal marketing team has historically focused its efforts on educating vape shop owners and employees about the characteristics and benefits of the Puff products and the reasons why the Puff products should be attractive to smokers who are trying one of their first ENDS products.

To ensure that all distributors to whom PVG2 sells and all retailers supplied either by those distributors or by PVG2 directly comply with legal requirements applicable to the marketing and sale of Puff products, EVO and PVG2 will require that retailers that PVG2 supplies directly enter



into a detailed written Retailer Agreement in the form attached hereto as Appendix A and that distributors that PVG2 supplies enter into a detailed Distributor Agreement in the form attached hereto as Appendix B.

These Agreements impose significant obligations and restrictions on distributors and retailers to ensure that marketing content and practices limit the appeal of Puff products to Youth and to consumers who are not smokers or vapers, including:

- Avoiding making or endorsing any statement that may reasonably be implied to constitute a therapeutic or smoking cessation claim, including publishing customer testimonials or forum-type postings that contain such statements. Such claims include statements that suggest that the Puff products have helped an individual quit smoking combustible cigarettes, have helped reduce nicotine craving or withdrawal symptoms, or have proven a successful alternative to approved smoking cessation drugs or approved nicotine replacement therapies.
- Avoiding modified risk claims regarding Puff products, including any claims that: (i) Puff products present a lower risk of tobacco-related disease or are less harmful than one or more other commercially marketed tobacco products, including combustible cigarettes; (ii) Puff products provide a reduced level of a substance or present a reduced exposure to a substance in their aerosol; (iii) Puff products do not contain or are free of a substance; or (iv) use descriptors such as “light,” “mild,” or “low” in conjunction with Puff products.
- Requiring retailers and distributors to restrict their marketing and advertising practices (these restrictions are described in more detail under “**Promotion Strategy and Tactics**,” below).
- Requiring that retailers and distributors not, directly or indirectly, sell any Puff products to individuals younger than 21.
- Requiring that, for all in-person sales, retailers place all Puff products behind a counter and/or in a locked display accessible only to employees and verify that the consumer is at least 21 years of age using a government-issued ID prior to completing the sale.
- Requiring that, for all online sales, retailers engage a reputable, independent third-party age and identify verification service that compares customer information against reliable data, such as public records, to verify that the recipient is at least 21 years of age, that shipments to consumers be made in PACT Act-compliant packages, and that delivery drivers verify that the recipient of a package is at least 21 years of age by checking a valid, government issued identification and receiving an adult signature before turning over the package.
- Requiring that retailers notify EVO and PVG2 of any unlawful underage sales and provide a detailed remediation plan to avoid future violations which is subject to EVO’s review and approval before the retailer may resume selling any additional Puff products.

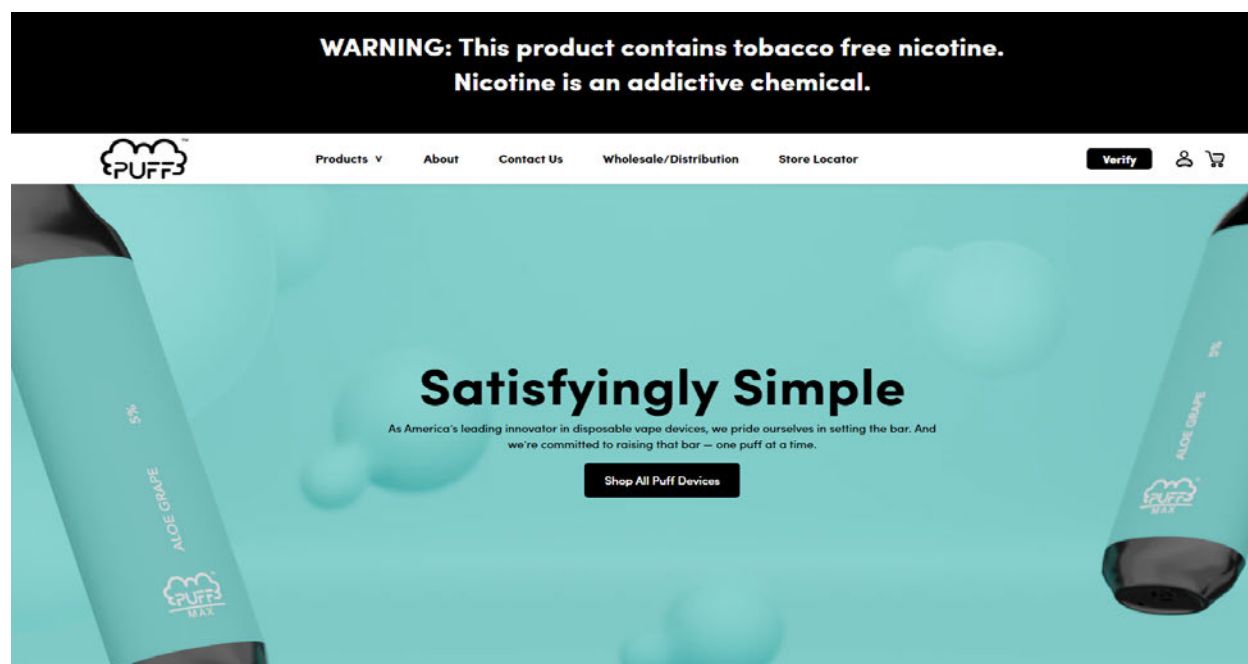
- Requiring that retailers fully cooperate with any remedial measures suggested by EVO or PVG2 as a result of a “secret shopper” program initiated by EVO, PVG2, and/or their distributors.

### 5.2.1.2 Online Vapor Product Retailers

EVO and PVG2 will require all online retailers and distributors to enter into the same form of Retailer and Distributor Agreements required of brick-and-mortar vape shops and described above before being able to sell Puff products. The Retailer Agreement requires that online retailers engage a reputable, independent third-party age and identity verification service that compares customer information against reliable data, such as public records, to verify that the purchaser is over 21 years of age, ship the e-liquids in PACT Act-compliant packages, and use only delivery services that verify that the recipient of a package is at least 21 years of age by checking a valid, government issued identification and receiving an adult signature before turning over the package.

### 5.2.1.3 Puff Website

As discussed above, EVO and PVG2 do not currently allow consumers to purchase directly through the website for Puff products, puffbar.com. The website allows U.S. consumers to learn about Puff products and their technical specifications. Consumers can also verify the legitimacy of any Puff product that they may have purchased, and if the product cannot be verified as a legitimate Puff product, report the seller of the counterfeit product. Each page of the website carries the black-and-white nicotine warning statement mandated by 21 C.F.R. § 1143.3(b).



If a marketing order is issued, EVO and PVG2 expect to launch direct-to-consumer sales once all necessary state tobacco retail licenses have been obtained to comply with the federal PACT Act requirements. Before being able to purchase Puff products directly through the website, consumers will need to have their age and identity verified through a third-party age verification service that relies on public record databases, AgeChecker.net.

To be able to purchase any Puff products on the website, consumers will first need to register and set up an account. As part of the account registration and purchase process, customers are prompted through the AgeChecker.net module to provide their date of birth and address, which is then checked against public records databases to confirm that the customer is at least 21 years of age. If the date of birth and address information is insufficient to confirm that the purchaser is at least 21 years of age, the customer will be prompted to submit a photo of their government-issued identification for confirmation that the customer is at least 21 years old. No sale will be able to be completed through the website unless the consumer has registered an account, been verified through the identification process described above, and the shipping address matches the consumer's home address provided at the time the account was opened.

For online sales, as required by 15 U.S.C. § 376a, PVG2 will ship the e-liquids in PACT Act-compliant packages, and use only delivery services that verify that the recipient of a package is at least 21 years of age by checking a valid government-issued identification and receiving an adult signature before turning over the package.

#### **5.2.1.4 Convenience Store Retailers**

EVO's Puff products have been distributed through convenience stores via its distributor channels. EVO has found that convenience stores are more resistant to detailed retailer agreements and does not anticipate that most convenience stores or convenience store chains would be willing to agree to the detailed Retailer Agreement described above and attached hereto as Appendix A. However, if a marketing order is issued, to the extent that Puff products are distributed into the convenience store channel, PVG2 will attempt to incorporate the general Convenience Store Distribution Principles outlined in Appendix C hereto into its agreements with those convenience stores and convenience store chains that will carry the Puff products.

The Principles are intended to streamline the Retailer Agreement and remove some of the more onerous requirements that have limited applicability to convenience store operations and marketing. Like the more detailed Retailer Agreement described above, these principles would be designed to ensure, to the extent possible, that convenience stores abide by legal requirements related to the marketing and sales of Puff products, including the prohibition on sales to individuals under 21 years of age and the use of the nicotine warning in any written advertising materials or store signage.

#### **5.2.2 Distribution Partners**

With the exception of convenience store retailers as described above, upon issuance of a marketing order from FDA, all retailers to which PVG2 directly distributes Puff products on a wholesale basis will be required to execute the form of Retailer Agreement attached hereto as Appendix A prior to continuing to carry the applicable Puff products. Similarly, all distributors will be required to execute the form of Distributor Agreement attached hereto as Appendix B prior to continuing to distribute the applicable Puff products. Moreover, the "Flow-Down Conditions" requirement found in paragraph 16 of the form Distributor Agreement requires each distributor of Puff products to contractually obligate any retailers or sub-distributors to which it distributes Puff products to essentially the same terms as set forth in the Retailer Agreement applicable to those retailers to which PVG2 sells directly.

If any record of past violations involving prohibited sales to Youth by any retailer to which a distributor intends to distribute Puff products exists, the distributor is required to supply information regarding the remedial measures taken by that retailer to EVO and PVG2 and obtain pre-approval from EVO and PVG2 in writing prior to selling any additional Puff products to that retailer. As with retailers to whom PVG2 sells directly, EVO and PVG2 may require such retailers to provide proof of additional remedial actions prior to being permitted to again carry Puff products. Paragraph 17 of the Distributor Agreement also obligates distributors to immediately stop sales to any retailer that has violated any of the requirements applicable to retailers, including the prohibition on underage sales, until such time as EVO and PVG2 are satisfied that the retailer has appropriate age verification policies and procedures in place to prevent future sales of Puff products to Youth.

The form Distributor Agreement also requires distributors to cooperate with EVO's efforts to conduct "secret shopper" programs at retailers to verify compliance with legal and contractual requirements. The form Distributor Agreement also allows EVO and PVG2 to audit at any time a distributor's compliance with the requirements of the Distributor Agreement that are directly applicable to it. Should EVO and PVG2 find that a distributor is not in compliance, they may consider the non-compliance a material breach of the Distributor Agreement and recover liquidated damages in the amount of two times the value of all purchase orders placed with PVG2 by the distributor during the preceding six months. This liquidated damages provision provides the "teeth" in the Distributor Agreement and gives distributors a strong incentive to ensure that both they and their downstream retailers comply with all legal and contractual requirements applicable to the marketing and sales of the Puff products.

### **5.2.3 Monitoring & Compliance**

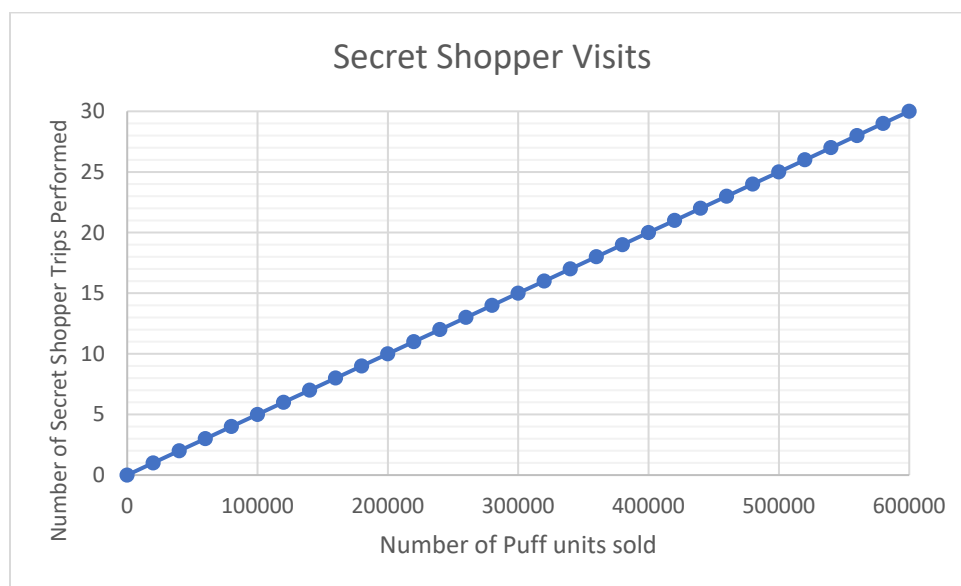
EVO and PVG2 intend to engage in monitoring and compliance of the sales and marketing activities of the Puff product distributors and retailers both through contractually mandated reporting pursuant to the requirements of the form Retailer Agreement and Distributor Agreement and through periodic "secret shopper" programs and compliance audits of distributors.

As noted above, paragraphs 10 of the Retailer Agreement and 15 of the Distributor Agreement prevent retailers and distributors from selling Puff products to individuals under 21 years of age and require robust age verification using a government-issued identification prior to completing a sale. Paragraph 11 of the Retailer Agreement and paragraph 17 of the Distributor Agreement require mandatory reporting to EVO and PVG2 of any illegal underage sales and authorization from them prior to any retailer re-engaging in further sales of Puff products following such a violation. EVO intends to request robust reporting in writing of all circumstances surrounding each reported violation by any retailer and documentation confirming that appropriate policies and procedures are in place to prevent future sales to Youth and that the retailer has trained or re-trained all of its staff on these age verification requirements before authorizing continued sales of any Puff products by retailers that engage in illegal sales to minors. EVO and PVG2 plan to implement a strict "three strikes" rule such that any retailer found to have engaged in three sales to minors will be prohibited from any longer carrying Puff products. Further, should EVO and PVG2 find that any distributor is failing to strictly enforce the mandatory reporting of retailers

who violate the prohibition on sales to minors, paragraph 18 of the Distributor Agreement allows EVO and PVG2 to immediately terminate the Distributor Agreement with that distributor.

### 5.2.3.1 Secret Shopper Program

Additionally, EVO intends to conduct a nationwide “secret shopper” program to ensure that retailers carrying its products are in compliance with their legal and contractual age verification requirements. EVO plans to conduct a “secret shop” of one retail outlet for each \$20,000 in revenue it generates from the sale of the products, such that the number of secret shopper visits performed per year would grow linearly with revenue as follows:



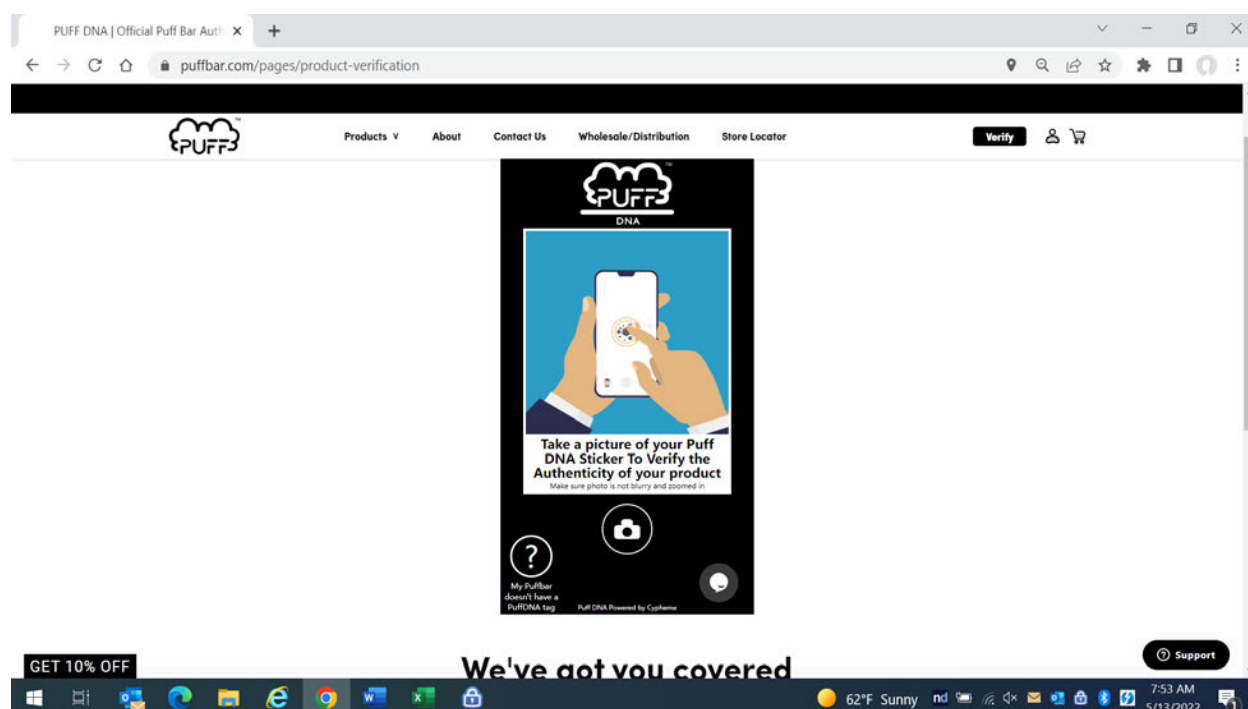
Because paragraphs 13 of the Retailer Agreement and 19 of the Distributor Agreement require reporting to EVO of sales on a per-store basis, EVO could target its highest volume retailers for testing via this secret shopper program.

### 5.2.3.2 Anti-Counterfeit Efforts

EVO was particularly dismayed to learn that, in the 2021 National Youth Tobacco Survey, 26.1% of high school students identified their usual brand as Puff Bar. As the limited Puff product sales figures discussed in Section 3, above, reflect, clearly a very large percentage, if not all, of the supposedly Puff-branded ENDS products that these Youth are consuming are not genuine Puff products sold by EVO or its affiliate, PVG2, but rather counterfeit ENDS products imported and sold by third parties. EVO purchased the portfolio of Puff trademarks in January 2021 and, unfortunately, the previous owner of the trademark portfolio did not undertake sufficient or sophisticated efforts to attempt to stem the flow of counterfeit Puff products into the country. In the little more than a year that EVO has been the owner of the trademarks, it and its affiliate, PVG2, have expended considerable resources to attempt to stem the flow of counterfeit ENDS products bearing the Puff marks into the United States from China. But, EVO clearly recognizes that further work remains to be done and these anti-counterfeiting efforts remain very active and ongoing.



EVO's and PVG's substantial efforts to reduce the availability of counterfeit ENDS products bearing the Puff marks in the United States are multipronged. As previously noted, on the puffbar.com website, consumers and businesses can verify the legitimacy of the Puff-branded products they have purchased by uploading a picture of the anti-counterfeiting Puff DNA sticker found on all genuine Puff products:



If the products are determined to be counterfeit, businesses and consumers can report the seller of the products to EVO Brands through the website so that it can take action against the counterfeiter.

EVO is engaged with United States Customs and Border Protection ("CBP") to record all Puff trademarks and associated imagery with CBP. EVO has also drafted a comprehensive Product Identification Guide for CBP. The Guide includes pertinent information such as distinguishing characteristics between genuine and counterfeit ENDS products bearing the Puff marks, names and contact information for legitimate manufacturers and ports used by EVO and its affiliate, PVG2, and listings of genuine Puff products. All of this information and these steps will better equip CBP agents to identify and seize counterfeit Puff products before they enter the U.S. market.

EVO has actively engaged in monitoring unlawful and unauthorized online sales and marketing activities by unauthorized distributors and resellers of counterfeit ENDS products bearing the Puff marks. EVO has engaged Redpoints ([www.redpoints.com](http://www.redpoints.com)), a global brand protection platform that engages in extensive efforts to identify websites imitating legitimate brands and selling unauthorized and/or counterfeit goods to help request take-downs of sites and accounts on China-based platforms like Alibaba that offer for sale counterfeit ENDS products bearing the Puff

trademarks on both a wholesale and retail basis. To date, Redpoints has already made many successful take-down requests of such sites and accounts.

When EVO became aware of Facebook accounts purporting to advertise and display for sale unauthorized and counterfeit ENDS products bearing the Puff marks, it spent considerable time reviewing each account and post, gathering evidence, and completing two Facebook take-down requests per account and post with applicable trademark and counterfeiting information. EVO recently received confirmation from Facebook that Facebook had removed all but one account and post reported by EVO for violations of Facebook's policies, trademark infringement, and sale of counterfeit goods. EVO continues to work with Facebook to remove violative postings and pages on an ongoing basis and is in the process of actively expanding these efforts to other social media sites.

EVO has also sent numerous cease-and-desist letters to distributors, retailers, and individuals marketing and selling counterfeit Puff products. In January 2022, EVO filed a lawsuit alleging counterfeiting and intentional trademark infringement in the United States District Court for the Central District of California against defendants that it believes have acted as high volume counterfeiters of Puff products. The lawsuit is captioned as *Evo Brands, LLC, et al., v. Performance Plus Marketing, Inc., et al.*, Case No. 2:22-cv-520, and is ongoing. EVO also plans to file suit imminently in federal district court in California against various other parties that have sold disposable ENDS products under the PUFF XTRA mark, and to file an *in rem* proceeding in the United States District Court for the Eastern District of Virginia to seek the take-down of a website controlled from China, [www.puffbarsalt.com](http://www.puffbarsalt.com), that falsely claims to be the "Puff Bar Official site" and sells and ships counterfeit ENDS products bearing the Puff marks from China directly to U.S. consumers. Whenever an importer or seller of counterfeit Puff products refuses to comply with a cease-and-desist letter and EVO is forced to bring suit to stop the infringing activity, its is EVO's policy to also bring suit against the owners, directors, and officers of the company in their individual capacity so that they cannot simply set up a new entity and continue their offending conduct.

EVO, through its counsel at Thompson Hine LLP, also has cooperated extensively with both local police departments around the country and FDA's Office of Criminal Investigations to assist in investigations of persons involved in the importation and sale of counterfeit ENDS products bearing the Puff marks and invites any and all requests to continue doing so in the future.

EVO will continue these very active anti-counterfeiting efforts moving forward, and if a marketing order is issued, will work with FDA and other law enforcement agencies, like Customs and Border Protection, to identify counterfeiters and take necessary actions to remove counterfeit ENDS products bearing the Puff marks from the market.

### **5.3 Promotion Strategy and Tactics**

As noted above, the primary goals of all of EVO's promotional activities are to ensure that current adult cigarette smokers and ENDS users are aware of its products while also preventing exposure to current non-users of tobacco products and individuals under 21 years of age. To accomplish these goals, EVO plans to focus any marketing efforts on business customers, and engage in limited in-store promotional activities in retail vape shops where access is generally limited only

to individuals who are 21 and over and which cater specifically to current users of combustible cigarettes and ENDS products.

Unlike many other ENDS product manufacturers, EVO (as well as its affiliate, PVG2) does not use any social media, and does not use third-party influencers or promoters or market through mass media channels where its advertisements could be widely seen by current non-tobacco users, such as television, radio, or non-vaping-industry specific magazines or periodicals.

EVO plans to implement the following restrictions on promotional content and practices both to comply with statutory requirements and to limit the appeal of the Puff products to individuals under the age of 21 and to non-users of tobacco or nicotine products:

- Avoiding making or endorsing any statements that may reasonably be implied to constitute a therapeutic or smoking cessation claim, including publishing customer testimonials or forum-type postings that contain such statements. Such claims include statements that suggest that Puff products have helped an individual quit smoking combustible cigarettes, have helped reduce nicotine cravings or withdrawal symptoms, or have proven a successful alternative to approved smoking cessation drugs or approved nicotine replacement therapies.
- Avoiding modified risk claims regarding its products, including any claims that: (i) Puff products present a lower risk of tobacco-related disease or are less harmful than other tobacco products, including combustible cigarettes; (ii) Puff products provide a reduced level of a substance or a reduced exposure to a substance in their aerosol; (iii) Puff products or their aerosol do not contain or are free of a substance; (iv) use descriptors such as “light,” “mild,” or “low” in conjunction with the Puff products.
- Restricting access to any social media marketing content in which it may engage in the future to prevent access by individuals identifying themselves as under 21.
- Placing appropriate warnings against Youth use of ENDS products in all social media marketing in which it may engage in the future, such as “Sales to Youth Prohibited,” “Underage Sales Prohibited,” etc.
- Placing appropriate minimum age warnings and nicotine warnings on the products’ packaging and in advertising containing product imagery.
- Placing internet ads (such as banner ads) and mobile ads only on websites for which the intended audience is 21 and older and which are focused primarily on the ENDS industry.
- Limiting email advertisements only to individuals who have self-certified that they are at least 21 years of age or older and are either smokers or users of ENDS products.
- Refraining from use of “pushed” online advertising through any online platform that does not allow exclusion of individuals identifying themselves as under 21 and excluding

individuals identifying themselves as under 21 whenever pushing targeted advertising on any online platform.

- Avoiding using models that appear to be under 25 years of age;
- Avoiding using contracted third-party promoters, spokespeople, or influencers and requiring retailers and distributors to refrain from using such individuals unless they appear to be at least 25 years of age and have age-gated their social media accounts only to allow followers whose profiles indicate that they are at least 21 years old;
- To the extent the company generates video advertisements for presentation in any promotional channel, including statements identifying the individuals appearing in the videos as former or current cigarette smokers.
- Refraining from using cartoon or animated characters or images in any marketing materials.
- Refraining from using or referencing superheroes in any marketing materials.
- Refraining from using or referencing video games, movies, videos, or animated television shows that are known to appeal primarily to individuals under 21 years of age in any marketing materials;
- Refraining from using trade dress or trademarks that use terms or reference those of food or other consumer products other than tobacco products in any marketing materials;
- Refraining from using imagery, characters, or phrases that are known to appeal to individuals under 21 years of age in any marketing materials;
- Refraining from creating promotional items that are appealing to individuals under 12 years of age, such as toy-like displays;
- Refraining from marketing on billboards within 500 feet of any elementary, middle, or high-school, youth-oriented facilities, or childcare facilities;
- Limiting participants in sweepstakes or giveaways to individuals who are 21 years of age or older, announcing that limitation in the advertisement of such sweepstakes or giveaway, and requiring winners to submit a copy of their government-issued identification prior to award of the prize;
- Refraining from giving away free samples of Puff products;
- Refraining from “lifestyle” advertising imagery that shows use of the Puff products in settings that appear to be or resemble schools, parties, or nightclubs, or by individuals who

appear to be students, who are dancing, jumping, or kissing, or who are in clothing, environments, or situations that suggest a sexual overtone;

- Refraining from use of imagery and themes depicting use of the Puff products as “cool” or rebellious.
- Requiring that distributors and retailers of Puff products similarly comply with the foregoing requirements through the terms of the form Retailer Agreement and Distributor Agreement and through EVO’s mandatory pre-publication review of all marketing content generated by retailers and distributors as specified in paragraph 5 of the Retailer Agreement and paragraph 10 of the Distributor Agreement.

### **5.3.1 Promotional Channels**

The promotional channels that EVO expects to utilize in order of priority are: (1) training and education of retail vape shop employees and in-store collateral and promotions; (2) trade show presence; (3) company website; and (4) email promotions. However, EVO would like to reserve the right to pursue the following additional promotional channels: internet-based digital advertising; digital and print ads in ENDS industry-specific publications; and age-gated social media. The proposed limitations and restrictions on these potential marketing channels are outlined below.

EVO intends to develop specific written standard operating procedures that its employees will use to train vape shop retail customers on the specific benefits of Puff products and those features that will likely make the products most attractive to current users of combustible cigarettes interested in trying ENDS products for the first time. Additionally, for trade show marketing, EVO will implement policies and procedures requiring staff and trade show personnel to verify an individual’s age using government issued identification before allowing purchase or sample of any products.

As suggested by the restrictions noted above, EVO’s activities in each marketing channel will be narrowly tailored to target the intended audience of current smokers and users of other ENDS products. EVO plans to dedicate the majority of its limited marketing spending to education of vape shop owners and employees and in-store promotions. Because most vape shops require individuals to be at least 21 years of age to enter and cater specifically to current smokers and users of ENDS products, this channel provides an ideal outlet to ensure that EVO’s promotions do not reach beyond their intended audience.

Similarly, the trade shows that EVO has historically attended are limited only to individuals who have demonstrated through verification of a government-issued identification that they are at least 21 years of age. By their nature, the trade shows that EVO attends are limited to the tobacco and vaping industries, and so are unlikely to include attendees who are non-users of other tobacco or vaping products. EVO would not attend any trade shows open to consumers that do not require verification through government-issued identification at the entrance that attendees are at least 21 years of age.



As described above, EVO and PVG2 do not currently allow purchases by U.S. consumers through the puffbar.com website. Further, the imagery used on the company's website is merely of the products themselves; the website does not include the use of models of any type whatsoever. The website similarly limits its content almost exclusively to technical descriptions of the products themselves, with only limited promotional content. If EVO and PVG2 allow U.S. consumers to purchase the Puff products through the puffbar.com website in the future, they will require age-verified registration for consumers to have full access to the website and make any purchases.

Historically, EVO and PVG2 have not engaged in extensive email promotions. To the extent that they do so in the future, they will only send promotional emails to businesses and those individuals who have previously registered to receive such emails through the puffbar.com website and, in the process, certified that they are at least 21 years old and are either a current user of combustible tobacco products or ENDS products.

Similarly, EVO and PVG2 have not engaged in internet-based digital advertising to date. To the extent that they do so in the future, as noted above, such advertising will be limited to websites and digital publications that are dedicated to the tobacco and ENDS industries. The imagery used in such websites will be primarily of the products themselves. To the extent that any human models are used, they will appear to be at least 25 years of age. Further, as noted above, EVO and PVG2 will refrain from advertising content across all channels that includes "lifestyle" imagery or imagery or themes that present Puff ENDS products as "cool" or rebellious.

Finally, EVO and PVG2 do not use social media; however, to the extent they initiate use of social media in the future, they plan to age-gate these social media accounts to only allow access to the contents to registered users who have indicated that they are at least 21 years of age. EVO and PVG2 do not use or pay influencers on social media, and would not use or pay influencers in the future. As discussed above, when EVO and PVG2 become aware of social media accounts purporting to be acting on their behalf or selling counterfeit Puff-branded products, they report the accounts to the publishing or social media company and ask for the account to be taken down. EVO and PVG2 are particularly mindful of the potential for youth exposure through social media, and take this reporting seriously. Again, the imagery used by EVO and PVG2 on any social media would be primarily of the products themselves and would include the nicotine warning required by 21 C.F.R. § 1143.3(b).

#### **5.4 Investment: 12 Month View**

EVO does not currently have a marketing budget or planned amount for marketing expenditures given its currently limited and restricted marketing efforts. EVO does not expect to substantially increase its marketing spending, with the majority of marketing spending continuing to be focused on trade shows and in-store marketing through point-of-sale items like window or door decals, print marketing like flyers and catalogs, and product displays.

# Exhibit 42

Last 90 Days ▾

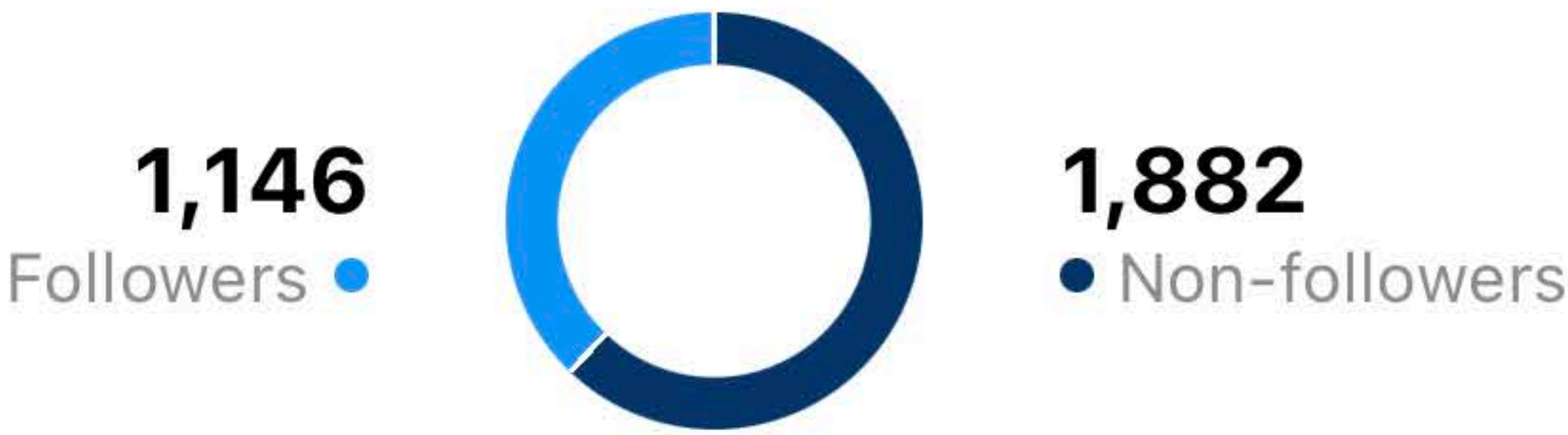
Jun 15 - Sep 12

3,028

Accounts reached

0.6% from ads

See how people have viewed your content over 90 days compared to the previous cycle.



Impressions

6,021  
-50.9%

Top Content

Based on reach

>

- All
- Followers
- Non-followers



# Exhibit 43



Reach

Last 90 Days

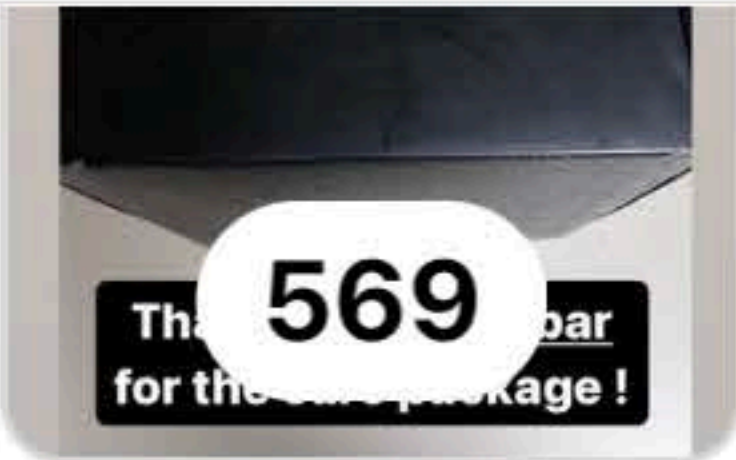
Jun 15 - Sep 12



Jul 24



Jul 24



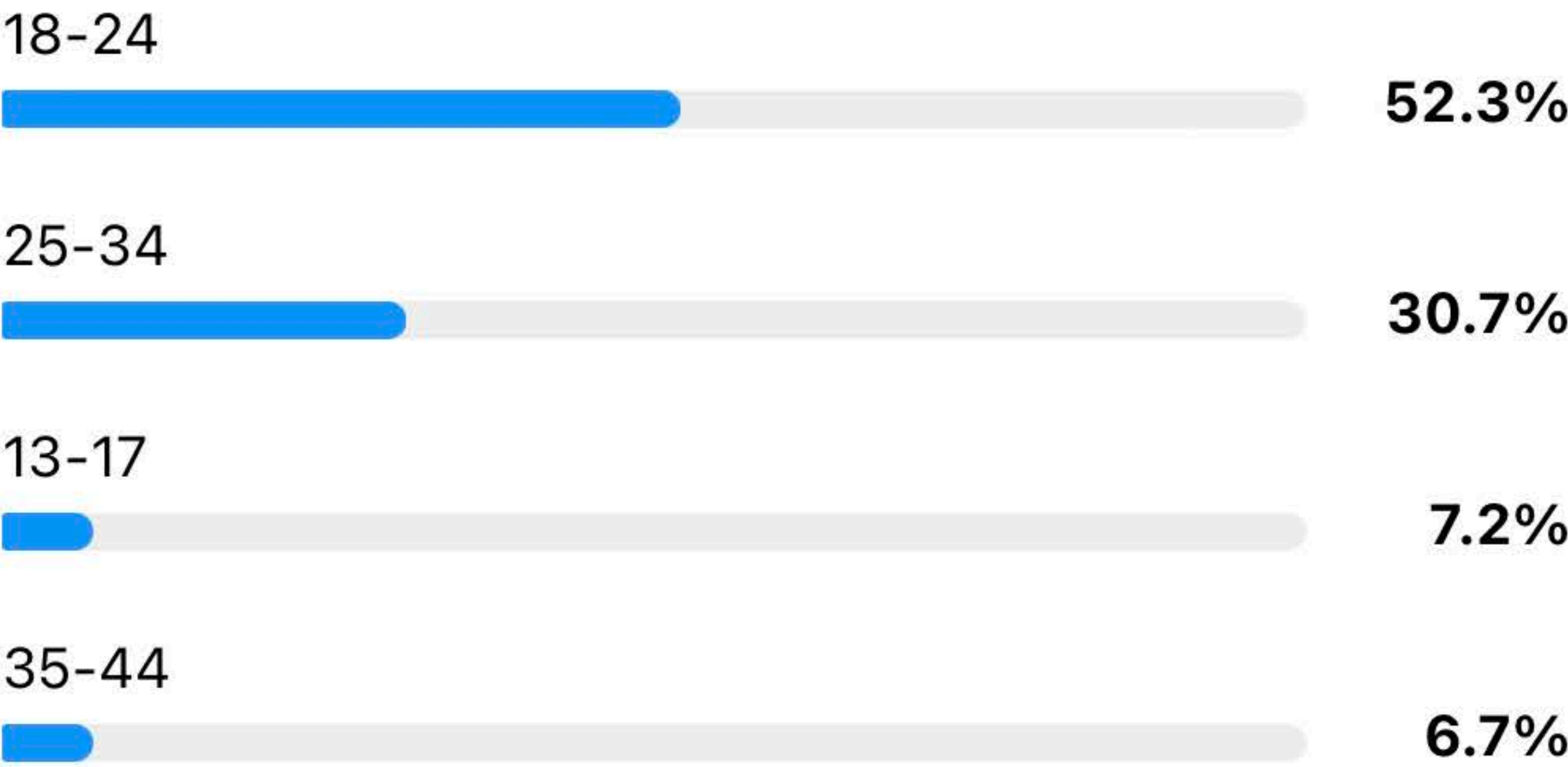
Jul 10



Jul 20

Reached audience

Top age ranges



Profile Activity

12,871  
-24.2%

Profile Visits

11,687  
-25%

External link taps

1,162  
-15.8%

Email Button Taps

22  
-4.4%

