



News Release

Attorney General Robert E. Cooper, Jr.

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Attorney General Announces Filing of Lawsuit Against Procesadora Nacional Cigarillera S.A. / Pronalci S.A.

Tennessee Attorney General Bob Cooper has filed suit against a Colombian cigarette manufacturer for failing to make required payments for the benefit of the State.

The lawsuit names Procesadora Nacional Cigarillera S.A. / Pronalci S.A. ("Pronalci") a manufacturer located in Bucaramanga, Colombia. Pronalci is not a member of the Tobacco Master Settlement Agreement and is therefore classified under the Tennessee Tobacco laws as a Non-Participating Manufacturer (NPM). As an NPM, Pronalci is required to make payments into an escrow account to cover potential claims for healthcare costs incurred by the State as a result of smoking in Tennessee.

The State's lawsuit alleges that Pronalci has failed to make an escrow deposit for sales of Pronalci cigarettes in Tennessee during 2009. In particular, the State alleges that Pronalci failed to pay approximately \$300,000 into escrow for cigarettes sold in Tennessee.

The State is seeking an injunction requiring Pronalci to stop violating state law and requiring them to make a full escrow deposit based on the total number of cigarettes sold in Tennessee. The State is also seeking penalties and attorneys' fees.

Anyone who has information about any person or entity that is not complying with Tennessee's tobacco regulation statutes is encouraged to call the Tobacco Enforcement Division's hotline at (615) 532-9480 (for local calls) or (800) 890-8366. The hotline is set up to receive information and comments by voicemail. The staff monitors the messages, and callers are not required to identify themselves when leaving a message.