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**ATTORNEY GENERAL SKRMETTI, 34 STATES REACH \$438.5 MILLION  
AGREEMENT WITH JUUL LABS**

*Tennessee to receive approximately \$13 million*

Nashville – Attorney General Jonathan Skrmetti announced today a \$438.5 million agreement in principle between JUUL Labs and 34 states and territories resolving a two-year bipartisan investigation into the e-cigarette manufacturer’s marketing and sales practices.

Of the \$438.5 million, Tennessee will receive approximately \$13 million. In addition to the financial terms, the settlement would force JUUL to comply with a series of strict injunctive terms that severely limit the company’s marketing and sales practices.

“JUUL deliberately encouraged kids to vape and now the company is paying for that misconduct,” said General Skrmetti. “I appreciate the collaboration among our bipartisan group of state attorneys general to hold JUUL accountable and stop their deceptive and harmful marketing practices.”

JUUL was, until recently, the dominant player in the vaping market. The multistate investigation revealed that JUUL rose to this position by willfully engaging in an advertising campaign that appealed to youth, even though its e-cigarettes are both illegal for minors to purchase and are unhealthy for minors to use. The investigation found that JUUL relentlessly marketed to underage users with launch parties, advertisements using young and trendy-looking models, social media posts and free samples. It marketed a technology-focused, sleek design that could be easily concealed and sold its product in flavors intended to attract underage users. To preserve its young customer base, JUUL relied on age verification techniques that it knew were ineffective.

The investigation further revealed that JUUL’s original packaging was misleading in that it did not clearly disclose that it contained nicotine and implied that it contained a lower concentration of nicotine than it actually did. Consumers were also misled to believe that consuming one JUUL pod was the equivalent of smoking one pack of combustible cigarettes.

The states are in the process of finalizing and executing the settlement documents, a process that takes approximately 3-4 weeks. The \$438.5 million would be paid out over a period of six to ten years, with the amounts paid increasing the longer the company takes to make the payments. If

JUUL chooses to extend the payment period up to ten years, the final settlement would reach \$476.6 million. Both the financial and injunctive terms exceed any prior agreement JUUL has reached with states to date.

As part of the settlement, JUUL has agreed to refrain from:

- Youth marketing
- Funding education programs
- Depicting persons under age 35 in any marketing
- Use of cartoons
- Paid product placement
- Sale of brand name merchandise
- Sale of flavors not approved by FDA
- Allowing access to websites without age verification on landing page
- Making representations about nicotine not approved by FDA
- Making misleading representations about nicotine content
- Sponsorships/naming rights
- Advertising in outlets unless 85 percent audience is adult
- Advertising on billboards
- Advertising on public transportation
- Advertising on social media (other than testimonials by individuals over the age of 35, with no health claims)
- Use of paid influencers
- Direct-to-consumer ads unless age-verified, and
- Free samples.

The agreement also includes sales and distribution restrictions, including restrictions on where the product may be displayed/accessed in stores, online sales limits, retail sales limits, age verification on all sales, and a retail compliance check protocol.

Alabama, Arkansas, Connecticut, Delaware, Georgia, Hawaii, Idaho, Indiana, Kansas, Kentucky, Maryland, Maine, Mississippi, Montana, North Dakota, Nebraska, New Hampshire, New Jersey, Nevada, Ohio, Oklahoma, Oregon, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Vermont, Wisconsin, Wyoming have signed on to the agreement. The investigation was led by Connecticut, Texas, and Oregon.

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