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**AG SLATERY REACHES \$1.86 MILLION SETTLEMENT WITH CIGARETTE
MANUFACTURER**

Nashville-Tennessee Attorney General Herbert H. Slatery III recently settled litigation against cigarette manufacturer Xcaliber International Ltd., LLC, that resulted in a payment of \$1.86 million to the State of Tennessee.

The dispute began when the cigarette manufacturer purchased and began manufacturing a cigarette brand that was contraband in Tennessee based on violations of Tennessee law committed by the original manufacturer of that brand. State law prohibits a manufacturer of a contraband cigarette brand from selling cigarettes in Tennessee, and the cigarette manufacturer challenged in court the State's attempt to ban it from the Tennessee cigarette market.

"This settlement that resulted in the payment of \$1.86 million to the State treasury is an excellent result for the residents and taxpayers of Tennessee," said General Slatery. "This Office will continue to diligently enforce tobacco laws."

The settlement brought the cigarette brand into compliance with Tennessee law for Xcaliber International Ltd., LLC, and the State agreed that this company may continue to sell cigarettes in Tennessee if it remains in compliance with Tennessee's tobacco laws. The original manufacturer of the cigarette brand that violated Tennessee law remains banned from Tennessee's cigarette market until it makes the payments that it owes to the State.

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