Sep 18, 2020

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Florida Attorney General's Office News Release

AG Moody Wins Tobacco Case Securing $90M

TALLAHASSEE, Fla.—Attorney General Ashley Moody today won a major court battle against big tobacco, securing millions for the state of Florida. The victory brings an end to years of litigation against R.J. Reynolds Tobacco Company over millions of dollars owed to the state through Florida's landmark tobacco settlement agreement. Pursuant to that agreement, RJR and the other major tobacco companies agreed to make annual payments to Florida of several hundred million dollars in perpetuity. The annual payments compensate Florida for the past and future public health care expenses from its citizens' consumption of the settling defendants' cigarettes. After RJR sold several of its most iconic cigarette brands, it ceased making mandatory payments to the state for the billions of cigarettes sold under those brands every year.

Today's decision by Florida's Fourth District Court of Appeal to deny RJR's requests for rehearing and certification effectively ends the legal battle and secures a one-time $92 million payment to the state, as well as an estimated $30 million annually for cigarettes sold under the four brands in question.

Attorney General Ashley Moody said, "This monumental decision comes at an extremely vital time for our state as the coronavirus has taken a toll on Florida's revenues. I am thrilled with the Fourth DCA's decision and glad our talented team of attorneys were able to ensure monies due to the state of Florida will be paid in full and the defendants cannot shirk their responsibilities."

In 2016, RJR sold three of its most iconic cigarette brands, Winston, Kool and Salem, along with a legacy Lorillard Tobacco Company brand, Maverick, to ITG for $7 billion. These four brands accounted for approximately 17 billion cigarettes sold in 2016, eight percent of the domestic tobacco market. RJR refused to include the sales of these cigarette brands when making annual payments to Florida, despite not having been released from its payment obligations. The exact same cigarette brands continue to be sold to Floridians, thus imposing the very public health care expenditures that the settlement payments are intended to compensate.

Today's Fourth DCA decision vindicates the state's position, ensures that Florida's landmark settlement agreement will be enforced, and secures millions for Florida. To read the ruling, click here.