UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: **Lina M. Khan, Chair**
Rebecca Kelly Slaughter
Christine S. Wilson
Alvaro M. Bedoya

In the Matter of **Altria Group, Inc.** **a corporation;** **and** **JUUL Labs, Inc.** **a corporation.**	**DOCKET NO. 9393**

COMPLAINT COUNSEL'S OPPOSITION TO RESPONDENTS' MOTION TO WITHDRAW MATTER FROM ADJUDICATION TO DISCUSS SETTLEMENT

Nearly three years after the issuance of the Complaint, and with a Commission decision in this matter imminent, Respondents Altria Group, Inc. ("Altria") and Juul Labs, Inc. ("JLI") suddenly want to remove this case from adjudication to talk settlement. But Respondents' last-minute settlement proposal fails even to meet the conditions set forth in the Notice of Contemplated Relief (Attachment A) and Complaint Counsel's Proposed Order (Attachment B).[1] These conditions are essential to remedy the harm to competition that arose when, as part of Altria's $12.8 billion investment in JLI (the "Transaction"), competitors Altria and JLI illegally agreed that Altria would exit e-cigarettes and not compete against JLI in the future. Importantly, the proposed remedies included in the Notice of Contemplated Relief and Complaint Counsel's Proposed Order—{[redacted]}—would, for example, require the

[1] Complaint Counsel included the Proposed Order as Attachment A to its Post-Trial Brief, which Complaint Counsel filed a year and a half ago.

Commission's prior approval for any e-cigarette transaction entered into by Respondents, as well as prohibit Respondents from entering non-compete agreements with any e-cigarette competitor.

Complaint Counsel has seriously considered Respondents' settlement proposal. Simply put, it falls woefully short.[2] Accordingly, Complaint Counsel respectfully requests that the Commission deny Respondents' Motion to Withdraw the Matter from Adjudication to Discuss Settlement ("Motion"). Complaint Counsel further respectfully requests that the Commission reverse the Initial Decision, and find that Respondents violated Section 1 of the Sherman Act (15 U.S.C § 1) under the rule of reason and that the Transaction violated Section 7 of the Clayton Act (15 U.S.C. § 18), both of which constitute unfair methods of competition in violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45, and grant the relief requested in the Notice of Contemplated Relief and Complaint Counsel's Proposed Order.

RESPONDENTS' SETTLEMENT PROPOSAL FALLS SHORT OF THE RELIEF SOUGHT IN THIS CASE

I. Respondents ignore the plain language in the Notice of Contemplated Relief

Respondents' proposal falls short of addressing all aspects of the Notice of Contemplated Relief, and they misleadingly claim their settlement proposal exceeds the relief sought. Mot. at 4. For example, while they acknowledge that the Notice of Contemplated Relief provides for "[a]ny other relief appropriate to correct or remedy the anticompetitive effects of the Transaction or of any or all of the conduct alleged in this complaint[,]" Respondents merely posit that "no further relief is necessary." Mot. at 4. Respondents are wrong. The Commission has the authority, upon a liability determination, to order essential safeguards contained in Complaint Counsel's Proposed

[2] Respondents cannot seem to make up their minds—in their Motion they propose relief to settle this matter while, simultaneously, in another pending motion before the Commission, they claim this action is moot, meaning that it would be "impossible" to "grant 'any effectual relief whatever' to the prevailing party." *Knox v. Serv. Emps. Int'l Union, Loc. 1000*, 567 U.S. 298, 307 (2012) (cleaned up).

Order or any other relief to prevent Altria and JLI from re-entering illegal agreements and/or entering similar illegal transactions in e-cigarettes. *See FTC v. Ruberoid Co.*, 343 U.S. 470, 473 (1952) (The "Commission has wide discretion in its choice of a remedy deemed adequate to cope with the unlawful practices' disclosed. . . . Congress placed the primary responsibility for fashioning such orders upon the Commission, and Congress expected the Commission to exercise a special competence in formulating remedies to deal with problems in the general sphere of competitive practices.") (citation omitted); *see also FTC v. Nat'l Lead Co.*, 352 U.S. 419, 430 (1957) ("[T]he Court is obliged not only to suppress the unlawful practice but to take such reasonable action as is calculated to preclude the revival of the illegal practices.") (citations omitted); *Int'l Salt Co. v. United States*, 332 U.S. 392, 400-01 (1947) (Courts are "invested with large discretion to model their judgments to fit the exigencies of the particular case;" "it is not necessary that all of the untraveled roads to that end be left open and that only the worn one be closed.") (citations omitted); *Nat'l Soc'y of Prof'l Eng'rs v. U.S.*, 435 U.S. 679, 697-98 (1978) (Courts may even prohibit otherwise lawful conduct if it "represents a reasonable method of eliminating the consequences of the illegal conduct" or preventing its resumption). The government's obligation to protect the public entitles it to deference when courts order relief to address antitrust violations:

> A Government plaintiff, unlike a private plaintiff, must seek to obtain the relief necessary to protect the public from further anticompetitive conduct and to redress anticompetitive harm. And a Government plaintiff has legal authority broad enough to allow it to carry out this mission. . . . "[I]t is well settled that once the Government has successfully borne the considerable burden of establishing a violation of law, all doubts as to the remedy are to be resolved in its favor."

F. Hoffman-La Roche Ltd. v. Empagran S.A., 542 U.S. 155, 170-71 (2004) (quoting *United States v. E.I. du Pont de Nemours & Co.*, 366 U.S. 316, 334 (1961)).

II. Respondents entirely ignore Complaint Counsel's Proposed Order

Respondents' Motion makes no mention of Complaint Counsel's Proposed Order, which they have had for a year and a half. This is surely because Complaint Counsel's Proposed Order includes provisions conspicuously absent from Respondents' Proposed Order. For example, Complaint Counsel's Proposed Order requires Respondents to obtain the Commission's prior approval before entering into any transaction with any e-cigarette company:

> Respondents shall not, without prior approval of the Commission, enter into any agreement or business transaction with each other or any E-Cigarette Business Entity related to the development, manufacture, distribution, or sale of E-Cigarettes.

Complaint Counsel's Proposed Order at II.B. Respondents' Proposed Order {[redacted]} but instead requires {[redacted]}. *See* Respondents' Proposed Order at II.D.[3] The need for prior approval is highlighted by Altria's latest proposed e-cigarette acquisition.[4] Neither of the two motions that Altria has filed since March 3, 2023 explicitly identify this new proposed transaction for the Commission, save for passing references in a blurry exhibit[5] and to a Complaint Counsel Exhibit (Mot. at 2). {[redacted]}.[6]

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[3] The full provision reads: {[redacted]} Respondents' Proposed Order at II.D.

[4] The purposes for including prior approval provisions in Commission orders are to: prevent anticompetitive deals, preserve Commission resources, and detect anticompetitive deals below HSR reporting thresholds. Federal Trade Commission, *Statement on the Commission of the Use of Prior Approval Provisions in Merger Orders* (Oct. 25, 2021), *available at* https://www.ftc.gov/system/files/documents/public_statements/1597894/p859900priorapprovalstatement.pdf.

[5] *See* Respondents' Motion to Dismiss This Litigation As Moot, or in The Alternative, to Stay The Litigation at Exhibit A.

[6] Moreover, Respondents' proposal is more limited than Complaint Counsel's with respect to {[redacted]}. *Cf.* Respondents' Proposed Order at II.A and II.C with Complaint Counsel's Proposed Order at II.B.

Another example of the inadequacy of Respondents' Proposed Order is their treatment of non-compete agreements. Complaint Counsel's Proposed Order prohibits Respondents from entering into a non-compete with any e-cigarette competitor:

> Respondents, directly or indirectly, or through any corporate or other device, in connection with the development, manufacturing, distribution, or sale of E-Cigarettes in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44, cease and desist from, and are prohibited from, entering into or participating in any agreement or understanding, whether express or implied, with any Person to not compete in the development, manufacturing, distribution or sale of E-Cigarettes.

Complaint Counsel's Proposed Order at II.A. In contrast, Respondents' Proposed Order {[redacted]}. Respondents' Proposed Order at II.B. Limiting {[redacted]} is not a sufficient guardrail to prevent the type of anticompetitive conduct that occurred here. Furthermore, without an order prohibiting Respondents from {[redacted]} Respondents are free to engage {[redacted]}. Respondents' proposed remedy would leave them with a wide range of "untraveled roads" to take should they decide to pursue similar anticompetitive agreements in the future. *Int'l Salt Co.*, 332 U.S. at 400.

As these material differences between Respondents' Proposed Order and the relief requested by Complaint Counsel make clear, this case should not be withdrawn from adjudication mere days before the anticipated Commission decision.

Moreover, an important purpose that can sometimes be served by withdrawing a case from adjudication to enable settlement discussions—expeditious resolution—is not served here. *See In*

the Matter of Otto Bock HealthCare North America, Inc., Dkt. No. 9378, 2018 WL 3491607, at *1 (F.T.C. July 9, 2018) ("That discretion [to withdraw a case] is informed in part by the Commission's policy favoring, and the public interest in, expeditious resolution of the Commission's adjudicative proceedings."). At this stage in the proceeding, after three years of litigation and after significant resources have already been expended by both Complaint Counsel and Respondents, withdrawal would needlessly drag out—not expedite—resolution of this matter. Accordingly, the Commission should deny Respondents' last-minute attempt to delay the imminent resolution of this case. To Complaint Counsel's knowledge, Commission Rule 3.25 (16 C.F.R. § 3.25) has never been used to withdraw a matter from adjudication over Complaint Counsel's objection in its forty-plus year history. This case should not be the first.

CONCLUSION

For the foregoing reasons, Complaint Counsel respectfully requests that the Commission deny Respondents' Motion to Withdraw Matter from Adjudication to Discuss Settlement. Complaint Counsel respectfully requests that the Commission reverse the Initial Decision; find that Respondents violated Section 1 of the Sherman Act under the rule of reason and that the transaction violated Section 7 of the Clayton Act; and grant the relief requested in the Notice of Contemplated Relief and Proposed Order.

Dated: March 24, 2023

Respectfully submitted,

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Counsel Supporting the Complaint

ATTACHMENT A

NOTICE OF CONTEMPLATED RELIEF

Should the Commission conclude from the record developed in any adjudicative proceedings in this matter that Respondents have violated or are violating Section 5 of the FTC Act, as amended, Section 1 of the Sherman Act, and/or Section 7 of the Clayton Act, as amended, the Commission may order such relief against Respondents as is supported by the record and is necessary and appropriate, including but not limited to:

a. Relief that restores Respondents' incentives to compete in the relevant market, including, as appropriate, divestiture of Altria's equity stake in JLI, rescission of Altria's purchase of that stake, and/or any other relief.

b. The voiding of all agreements related to the Transaction, including the Non-Compete agreement and the Services Agreement between Altria and JLI, as well as a prohibition against any future non-compete agreements between Respondents, except with prior approval by the Commission.

c. A prohibition against any transaction between Altria and JLI that combines their businesses in the relevant market, except with prior approval by the Commission.

d. A prohibition against any officer or director of either Respondent serving on the other Respondent's board of directors or attending its meetings.

e. A requirement that, for a period of time, Altria and JLI provide prior notice to the Commission of acquisitions, mergers, consolidations, or any other combinations of their businesses in the relevant market with any other company operating therein.

f. A requirement to file periodic compliance reports with the Commission.

g. Requiring that Respondents' compliance with the order may be monitored at Respondents' expense by an independent monitor, for a term to be determined by the Commission.

h. Any other relief appropriate to correct or remedy the anticompetitive effects of the Transaction or of any or all of the conduct alleged in this complaint.

IN WITNESS WHEREOF, the Federal Trade Commission has caused this complaint to be signed by its Secretary and its official seal to be hereto affixed, at Washington, DC, this 1st day of April, 2020.

By the Commission.

April Tabor
Acting Secretary

SEAL:

ATTACHMENT B

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION
OFFICE OF ADMINISTRATIVE LAW JUDGES

In the Matter of **Altria Group, Inc.** **a corporation;** **and** **JUUL Labs, Inc.** **a corporation.**	**DOCKET NO. 9393**

[PROPSED] ORDER

I.

IT IS ORDERED that, as used in the Order, the following definitions apply:

A. "Altria" means Altria Group, Inc., its directors, officers, employees, agents, representatives, successors, and assigns; and its joint ventures, subsidiaries, divisions, groups, and affiliates controlled by Altria Group, Inc., including, Altria Enterprises, LLC, and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.

B. "JLI" means JUUL Labs, Inc., its directors, officers, employees, agents, representatives, successors, and assigns; and its joint ventures, subsidiaries, divisions, groups, and affiliates controlled by JUUL Labs, Inc., and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.

C. "Respondents" means Altria and JLI, individually and collectively.

D. "Commission" means the Federal Trade Commission.

E. "Cooperation Agreement" means the Cooperation Agreement by and among Juul Labs, Inc., Altria Group, Inc., and Altria Enterprises, LLC entered into on January 28, 2020.

F. "E-Cigarettes" means battery-powered devices that vaporize a liquid solution containing nicotine (an "e-liquid"), including a closed system, which consists of a device housing a battery and a heating mechanism, and sealed cartridges or pods that are pre-filled with e-liquid, and an open system, which incorporates refillable tanks that customers manually fill with e-liquid.

G. "E-Cigarette Business Entity" means any Person that develops, manufactures, sells, or distributes E-Cigarettes.

H. "JLI Equity Stake" means the 35% interest Altria acquired from JLI pursuant to the Purchase Agreement.

I. "Monitor" means the Person appointed pursuant to Section VII of this Order.

J. "Non-Public Information" means all information not in the public domain, except for any information that was or becomes generally available to the public other than as a result of disclosure by Respondents.

K. "Person" means any natural person, partnership, corporation, association, trust, joint venture, government, government agency, or other business or legal entity.

L. "Purchase Agreement" means the Class C-1 Common Stock Purchase Agreement by and among JUUL Labs, Inc., Altria Group, Inc., and Altria Enterprises, LLC entered into on December 20, 2018, and the subsequent Amendment No. 1 to Class C-1 Common Stock Purchase Agreement entered into on January 28, 2020.

M. "Transaction Agreements" means:

1. Intellectual Property License Agreement entered into by Respondents on December 20, 2018;
2. Ninth Amended and Restated Investors' Rights Agreement entered into by Respondents and various JLI stockholders on December 20, 2018;
3. Relationship Agreement by and among JUUL Labs, Inc., Altria Group, Inc., and Altria Enterprises, LLC entered into on December 20, 2018, and the subsequent Amendment No. 1 to Relationship Agreement entered into on January 28, 2020;
4. Ninth Amended and Restated Right of First Refusal and Co-Sale Agreement entered into by Respondents and various JLI stockholders on December 20, 2018;
5. Services Agreement by and between Altria Group, Inc., and JUUL Labs, Inc. entered into on December 20, 2018, and the subsequent Amendment No. 1 to Services Agreement entered into on January 28, 2020;
6. True-Up Convertible Security Agreement by and among JUUL Labs, Inc., Altria Group, Inc., and Altria Enterprises, LLC entered into on December 20, 2018; and
7. JUUL Labs, Inc. Eighth Amended and Restated Voting Agreement entered into by Respondents and various JLI stockholders on December 20, 2018, and the subsequent Ninth Amended and Restated Voting Agreement entered into on January 28, 2020.

II.

IT IS FURTHER ORDERED that:

A. Respondents, directly or indirectly, or through any corporate or other device, in connection with the development, manufacturing, distribution, or sale of E-Cigarettes in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade

Commission Act, 15 U.S.C. § 44, cease and desist from, and are prohibited from, entering into or participating in any agreement or understanding, whether express or implied, with any Person to not compete in the development, manufacturing, distribution or sale of E-Cigarettes.[42]

B. Respondents shall not, without prior approval of the Commission, enter into any agreement or business transaction with each other or any E-Cigarette Business Entity related to the development, manufacture, distribution, or sale of E-Cigarettes.[43]

III.

IT IS FURTHER ORDERED that, within 10 days of this Order becoming final and effective (without regard to the finality of the divestiture requirements herein), Respondents rescind the Transaction Agreements and the Cooperation Agreement.[44]

IV.

IT IS FURTHER ORDERED that:[45]

A. No later than 90 days from the date this Order becomes final and effective, Respondent Altria shall divest, absolutely and in good faith, at no minimum price, to one or more buyers approved by the Commission (unless the buyer is Respondent JLI), its JLI Equity Stake, or, in the alternative,

B. Respondents shall rescind the Purchase Agreement.

V.

IT IS FURTHER ORDERED that[46]:

A. Respondents shall, within 10 days of this Order becoming final and effective (without regard to the finality of the divestiture requirements herein), remove any director, observer, or other Person associated with a Respondent from the other Respondent's

[42] Section II is modeled after previous FTC Orders that require Respondents to cease and desist from and prohibit Respondents from future recurrence of the unlawful conduct at issue. *See* The North Carolina Board of Dental Examiners, Docket No. 9343, Order, at Section II, Toys R Us, Inc., Docket No. 9278, Order, at Section II.

[43] Prior approval is contemplated in the Altria/Juul Part 3 Complaint – "A prohibition against any transaction between Altria and JLI that combines their businesses in the relevant market, except with prior approval by the Commission." See Notice of Contemplated Relief, Paragraph C.

[44] The purpose of Section III is to rescind the Agreements between the Respondents, and remedy the likely anticompetitive effects of the transaction. See Otto Bock HealthCare North America, Inc., Docket No. 9378, Order, at Section II.

[45] The purpose of Section IV is to undo the acquisition and remedy the likely anticompetitive effects of the transaction. See Otto Bock HealthCare North America, Inc., Docket No. 9378, Order, at Section II.

[46] The purpose of this Section is to ensure that Respondents do not violate Section 8 of the Clayton Act, 15 U.S.C., § 19.

board of directors, including prohibiting any Person associated with a Respondent from attending a board of director meeting convened by the other Respondent;

B. Respondents shall not:

1. Permit any officer or director of either Respondent to serve on the other Respondent's board of directors or attend any of its meetings.
2. Influence or attempt to influence, directly or indirectly, the management or operation of the other Respondent;
3. Receive or attempt to receive, directly or indirectly, any Non-Public Information of, from, or relating to, the other Respondent.

VI.

IT IS FURTHER ORDERED THAT, no later than ten (10) days from the date on which this Order becomes final and effective (without regard to the finality of the divestiture requirements herein), Respondents shall provide a copy of this Order to each of Respondents' officers, employees, or agents having managerial responsibilities for any of Respondents' obligations under this Order.[47]

VII.

IT IS FURTHER ORDERED that[48]:

A. At any time after this Order becomes final and effective (without regard to the finality of the divestiture requirements herein), the Commission may appoint a Person ("Monitor") to monitor Respondents' compliance with their obligations under this Order, consult with Commission staff, and report to the Commission regarding Respondents' compliance with their obligations under this Order.

B. If a Monitor is appointed pursuant to Paragraph VII.A of this Order, Respondents shall consent to the following terms and conditions regarding the powers, duties, authorities, and responsibilities of the Monitor:

1. The Monitor shall have the power and authority to monitor Respondents' compliance with the terms of this Order, and shall exercise such power and authority and carry out the duties and responsibilities of the Monitor pursuant to the terms of this Order and in a manner consistent with the purposes of this Order and in consultation with the Commission or its staff.

[47] Section VI is modeled after previous FTC Orders that required distribution of the Order to educate and inform relevant individuals of their responsibilities to comply with the order. *See* The North Carolina Board of Dental Examiners, Docket No. 9343, Order, at Section III.

[48] This Section provides for the appointment of a Monitor to monitor Respondents' compliance with the Order, which is common in FTC Orders as well as Part 3 Orders issued by the FTC. *See* Otto Bock HealthCare North America, Inc., Docket No. 9378, Order, at Section VI.

2. Within ten 10 days after appointment of the Monitor, Respondents, separately, shall execute an agreement that, subject to the approval of the Commission, confers on the Monitor all the rights and powers necessary to permit the Monitor to monitor Respondents' compliance with the terms of this Order in a manner consistent with the purposes of this Order. If requested by a Respondent, the Monitor shall sign a confidentiality agreement prohibiting the use or disclosure to anyone other than the Commission (or any Person retained by the Monitor pursuant to Paragraph VII.B.5 of this Order), of any competitively-sensitive or proprietary information gained as a result of his or her role as Monitor, for any purpose other than performance of the Monitor's duties under this Order.

3. The Monitor's power and duties under this Section VII shall terminate three 3 business days after the Monitor has completed his or her final report pursuant to Paragraph VII.B.8 of this Order or at such other time as directed by the Commission.

4. Respondents shall cooperate with any Monitor appointed by the Commission in the performance of his or her duties, and shall provide the Monitor with full and complete access to Respondents' books, records, documents, personnel, facilities, and technical information relating to compliance with this Order, or to any other relevant information, as the Monitor may reasonably request. Respondents shall cooperate with any reasonable request of the Monitor. Respondents shall take no action to interfere with or impede the Monitor's ability to monitor Respondents' compliance with this Order.

5. The Monitor shall serve, without bond or other security, at the expense of Respondents, on such reasonable and customary terms and conditions as the Commission may set. The Monitor shall have the authority to employ, at the expense of Respondents, such consultants, accountants, attorneys, and other representatives and assistants as are reasonably necessary to carry out the Monitor's duties and responsibilities. The Monitor shall account for all expenses incurred, including fees for his or her services, subject to the approval of the Commission.

6. Respondents shall indemnify the Monitor and hold the Monitor harmless against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of the Monitor's duties, including all reasonable fees of counsel and other expenses incurred in connection with the preparation for, or defense of, any claim, whether or not resulting in any liability, except to the extent that such losses, claims, damages, liabilities, or expenses result from the Monitor's gross negligence or willful misconduct. For purposes of this Paragraph VII.B.6, the term "Monitor" shall include all Persons retained by the Monitor pursuant to Paragraph VII.B.5 of this Order.

7. If at any time the Commission determines that the Monitor has ceased to act or failed to act diligently, or is unwilling or unable to continue to serve, the Commission may appoint a substitute to serve as Monitor in the same manner as provided by this Order.

8. The Monitor shall report in writing to the Commission (i) every thirty 30 days from the date this Order becomes final and effective (without regard to the finality of the divestiture requirements herein), (ii) no later than thirty 30 days from the date Respondents complete their obligations under this Order, and (iii) at any other time as requested by the staff of the Commission, concerning Respondents' compliance with this Order.

C. Respondents shall submit copies of all compliance reports filed with the Commission to the Monitor no later than twenty 20 days after the date the Monitor is appointed by the Commission pursuant to Paragraph VII.A of this Order.

D. The Commission may, on its own initiative or at the request of the Monitor, issue such additional orders or directions as may be necessary or appropriate to assure compliance with the requirements of this Order.

VIII.

IT IS FURTHER ORDERED that[49]:

A. Respondents shall:

1. Notify Commission staff via email at bccompliance@ftc.gov of the dates that the Respondents comply with the obligations under Sections III, IV, and V.A, no later than 5 days after the occurrence of each; and

2. Submit any documentation memorializing such occurrences in Paragraph VIII.A.1 to the Commission at bccompliance@ftc.gov no later than 30 days after the date they occur.

B. Respondents shall submit verified written reports ("compliance reports") in accordance with the following:

1. Respondents shall submit:

a. Interim compliance reports 30 days after the Order is issued by this Court, and every 60 days thereafter until Respondents have fully complied with the provisions of Sections, III, IV, and V.A;

b. Annual compliance reports one year after the date this Order is issued by this Court, and annually for the next 9 years on the anniversary of that date; and

c. Additional compliance reports as the Commission or its staff may request.

[49] Section VIII is standard in FTC Part 3 Orders. *See,* The North Carolina Board of Dental Examiners, Docket No. 9343, Order, at Section IV; Toys R Us, Inc., Docket No. 9278, Order, at Section IV; Otto Bock HealthCare North America, Inc., Docket No. 9378, Order, at Section VIII.

2. Each compliance report shall contain sufficient information and documentation to enable the Commission to determine independently whether Respondents are in compliance with this Order. Conclusory statements that Respondents have complied with their obligations under this Order are insufficient. Respondents shall include in their reports, among other information or documentation that may be necessary to demonstrate compliance, a full description of the measures Respondents have implemented and plan to implement to comply with each paragraph of the Orders.

3. For a period of 5 years after filing a Compliance Report, each Respondent shall retain all material written communications with each party identified in the compliance report and all non-privileged internal memoranda, reports, and recommendations concerning fulfilling Respondents' obligations under the Orders and provide copies of these documents to Commission staff upon request.

4. Respondents shall verify each compliance report in the manner set forth in 28 U.S.C. § 1746 by the Chief Executive Officer or another officer or employee specifically authorized to perform this function. Respondents shall submit an original and 2 copies of each compliance report as required by Commission Rule 2.41(a), 16 C.F.R. § 2.41(a), including a paper original submitted to the Secretary of the Commission and electronic copies to the Secretary at ElectronicFilings@ftc.gov and to the Compliance Division at bccompliance@ftc.gov*; provided, however*, that Respondents need only file electronic copies of the interim reports required by Paragraph VIII.B.1 (a). In addition, Respondents shall provide a copy of each compliance report to the Monitor if the Commission has appointed one in this matter.

IX.

IT IS FURTHER ORDERED that Respondents shall notify the Commission at least 30 days prior to[50]:

A. Any proposed dissolution of Altria Group, Inc. or Juul Labs, Inc., respectively;

B. Any proposed acquisition of, or merger or consolidation involving Altria Group, Inc. or Juul Labs, Inc., respectively; or

C. Any other change in Respondents including assignment and the creation, sale, or dissolution of subsidiaries, if such change may affect compliance obligations arising out of this Order.

X.

IT IS FURTHER ORDERED that, for the purpose of determining or securing compliance with this Order, and subject to any legally recognized privilege, and upon written request and upon 5

[50] Section IX is standard in FTC Part 3 Orders. *See,* Otto Bock HealthCare North America, Inc., Docket No. 9378, Order, at Section IX.

days' notice to Respondents, Respondents shall, without restraint or interference, permit any duly authorized representative of the Commission[51]:

A. Access, during business office hours of the Respondents and in the presence of counsel, to all facilities and access to inspect and copy all books, ledgers, accounts, correspondence, memoranda and all other records and documents in the possession, or under the control, of the Respondents related to compliance with this Order, which copying services shall be provided by the Respondents at their expense; and

B. To interview officers, directors, or employees of the Respondents, who may have counsel present, regarding such matters.

XI.

IT IS FURTHER ORDERED that this Order shall terminate 10 years from the date it is issued.

ORDERED:

_____
D. Michael Chappell
Chief Administrative Law Judge

Date:

[51] Section X is standard in FTC Part 3 Orders. *See,* Otto Bock HealthCare North America, Inc., Docket No. 9378, Order, at Section X.

PUBLIC

CERTIFICATE OF SERVICE

I hereby certify that on March 24, 2023, I filed the foregoing document electronically using the FTC's E-Filing System, which will send notification of such filing to:

April Tabor
Secretary
Federal Trade Commission
600 Pennsylvania Ave., NW, Rm. H-113
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The Honorable D. Michael Chappell
Administrative Law Judge
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I also certify that I delivered via electronic mail a copy of the foregoing document to:

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