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NEWS FOR IMMEDIATE RELEASE

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State of Wisconsin to Receive \$14 Million After Arbitration Panel Rules in Favor of State in Dispute with Cigarette Manufacturers

MADISON, Wis. – Attorney General Josh Kaul today announced an arbitration panel has ruled in favor of the State of Wisconsin in a dispute with Philip Morris USA, Inc., RJ Reynolds Tobacco Company, and other cigarette manufacturers. The case involved the annual payments manufacturers owe to the State under the Master Settlement Agreement (MSA), the landmark public health agreement that Wisconsin and 45 other states reached with the tobacco companies in 1998.

“This victory means that big tobacco companies will continue to be held fully accountable to Wisconsin under the tobacco settlement,” said Attorney General Kaul. “Thank you to the team that won this arbitration, ensuring that approximately \$14 million will be coming to Wisconsin.”

The panel of former federal judges ruled that in 2004, Wisconsin diligently enforced a statute requiring cigarette manufacturers that did not join the MSA to pay money into escrow on certain cigarettes sold in the State. This ruling will result in Wisconsin recovering approximately \$14 million that was withheld pending resolution of this dispute. Payments made under the MSA are applied to the state general fund.

This recovery is the result of a final decision of the arbitration panel and Act 369 does not apply.