

STATE OF MICHIGAN  
CIRCUIT COURT FOR THE 30TH JUDICIAL CIRCUIT  
INGHAM COUNTY

MICHAEL A. COX,  
ATTORNEY GENERAL  
STATE OF MICHIGAN

No. 04-1130-CZ

Plaintiff,

HON. BEVERLY NETTLES-NICKERSON

v

HOUSE OF WINDSOR, INC.,  
a Pennsylvania Corporation,  
HOUSE OF WINDSOR SALES, INC.,  
a Pennsylvania Corporation,  
WOLTMAR, INC.,  
a Delaware Corporation

Defendant,

---

Charles D. Hackney, (P14503)  
Assistant Attorney General  
Attorney for Plaintiff  
Consumer Protection Division  
PO Box 30213  
Lansing, MI 48909  
(517) 335-0855

---

**DEFAULT JUDGMENT FOR PLAINTIFF**

The court having considered plaintiff's COMPLAINT and MOTION FOR  
DEFAULT JUDGMENT, the court being advised in the premises and having determined  
that the relief requested in the complaint should be granted,

### **Declaratory Relief**

IT IS ORDERED that the defendant, as defined below, has defaulted on its escrow payment obligations, pursuant to 1999 PA 244, as amended, MCL 445.2051, 445.2052, in the total amount of \$1,132.86 (\$918.81 for year 2000 sales; and \$214.05 for year 2003 sales) which default may be cured only by defendant's filing with the Department of Treasury and the court a certificate that it has deposited into a "qualified escrow fund", as that term is defined in Act 244, § 1(i), funds in the amount of \$1,132.86, accompanied by documentation from the escrow agent verifying the factual accuracy of the certification.

### **Civil Penalties**

IT IS FURTHER ORDERED that the defendant knowingly violated MCL 445.2052 and the court imposes a civil penalty, payable to the state's general fund, in the amount of \$19,953.03, (Count I: \$2,756.43; Count II: \$8,421.69; Count III: \$8,119.86; Count IV: \$655.05) MCL 445.2052(3)(b), plus pre-judgment interest of \$629.33.

### **Injunctive Relief Ancillary to Declaratory Relief**

IT IS FURTHER ORDERED that, until such time as defendant provides proof that it has met the escrow obligations determined above, **defendant is enjoined** from manufacturing cigarettes anywhere that defendant intends to be sold in the United States, including cigarettes intended to be sold in the United States through an importer (except where such importer is an original participating manufacturer that will be responsible for the payments under the Master Settlement Agreement with respect to such cigarettes as a result of the provisions of subsection II(mm) of the Master Settlement Agreement and that pays the taxes specified in subsection II(z) of the Master Settlement Agreement, and

provided that the manufacturer of such cigarettes does not market or advertise such cigarettes in the United States). This injunctive judgment applies to defendant, its officers, agents, servants, employees and attorneys, and to any person or entity that acts in concert or participation with them and has actual notice of this judgment by personal service or otherwise. The reasons for issuance of this injunction are: defendant has failed to contest well-pled allegations that defendant has, on two or more occasions, knowingly defaulted on escrow deposit obligations imposed by MCL 445.2051, 445.2052.

#### **Injunctive Relief For Multiple Knowing Violations**

IT IS FURTHER ORDERED that, until the second anniversary of the date of entry of this judgment, **defendant is enjoined** from selling cigarettes to consumers within this state (whether directly or through a distributor, retailer or similar intermediary). This injunctive judgment applies to defendant, its officers, agents, servants, employees and attorneys, and to any person or entity that acts in concert or participation with them and has actual notice of this judgment by personal service or otherwise. The reasons for issuance of this injunction are: defendant has failed to contest well-pled allegations that defendant has, on two or more occasions, knowingly defaulted on escrow deposit obligations imposed by MCL 445.2051, 445.2052.

IT IS FURTHER ORDERED that as used in this judgment:

A. "Defendant" means both each of the three corporate defendants severally and all of them collectively;

B. "Cigarette" has the same meaning as is given that term in 1999 PA 244, § 1(d), MCL 445.2051 and includes roll-your own ("RYO") cigarette tobacco; and

C. "Master Settlement Agreement" has the same meaning as is given that term in 1999 PA 244, § 1(f), MCL 445.2051.

Plaintiff may tax costs.

This judgment resolves all pending claims and closes the case with prejudice.

BEVERLY NETTLES-NICKERSON

\_\_\_\_\_  
Beverly Nettles-Nickerson, Circuit Judge

Issued this 27th day of April, 2005, in the City of Lansing, MI.

**Prepared by:**

Charles D. Hackney P14503  
Assistant Attorney General  
Attorney for Plaintiff  
525 W. Ottawa Street  
P. O. Box 30213  
Lansing, MI 48909  
(517) 335-0855