

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

MICHAEL A. COX,
ATTORNEY GENERAL
STATE OF MICHIGAN

No. 04-660-CZ

Plaintiff,

HON. PAULA J.M. MANDERFIELD

v

Choice Tobacco (USA) Ltd.,

Defendant,

DEFAULT JUDGMENT

The court having considered plaintiff's MOTION FOR DEFAULT JUDGMENT, the defendant having received notice of the default and of the motion and having failed to appear and contest the motion, 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 has defaulted on its escrow payment obligations, pursuant to 1999 PA 244, as amended, MCL 445.2051, 445.2052, in the total amount of \$651.62 for year 2000 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 \$651.62, 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 with reference to its 2000 and 2001 sales and the court imposes a civil penalty, payable to the state's general fund, in the amount of \$2,687.22 (\$1,954.86 for 2000 and \$732.36 for year 2001), MCL 445.2052(3)(b), plus pre-judgment interest of \$47.75.

Injunctive Relief Acillary 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 as that term is defined below and including roll-your own ("RYO") cigarette tobacco anywhere that defendant intends to be sold in the United States, including cigarettes as that term is defined below and including roll-your own ("RYO") cigarette tobacco 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 knowingly defaulted on escrow deposit obligations imposed by MCL 445.2051, 445.2052.

IT IS FURTHER ORDERED that as used in this judgment, the terms "cigarette" and "Master Settlement Agreement" have the same meaning as is given to them in MCL 405.2051, subsections (d) and (f), respectively.

Plaintiff may tax costs.

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

PAULA J.M. MANDERFIELD

Paula J. M. Manderfield, Circuit Judge

Issued this 23rd day of Feb, 2005, in the City of Lansing, MI

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A TRUE COPY
CLERK OF THE COURT
30th JUDICIAL CIRCUIT COURT