



Attorney General Josh Stein's Lawsuit Against JUUL

Attorney General Josh Stein filed a lawsuit against JUUL Labs, Inc. (JUUL) pursuant to the North Carolina Unfair or Deceptive Trade Practices Act on Wednesday, May 15, 2019. JUUL's actions – designing, marketing, and selling e-cigarettes in ways that attract minors and deceptively downplaying the potency and danger of the nicotine – are unfair, deceptive, and illegal under North Carolina law.

JUUL has harmed North Carolina consumers, and Attorney General Stein is bringing this action to stop JUUL and hold it accountable.

Dangers of JUUL Products

- Nicotine Strength:
 - JUUL entered the e-cigarette market with the highest nicotine potency of any product, a level so high that, in a number of countries, it is illegal for people of any age.
 - JUUL deceived people about that nicotine strength and has misrepresented the nicotine equivalency of its products to traditional cigarettes.
 - JUUL's candy- and dessert-like flavors mask JUUL's high nicotine concentration.
 - JUUL altered the chemical composition of nicotine to make inhaling it smoother and easier for first-time users.
- Health Risks Associated with Nicotine:
 - Nicotine is a highly addictive, neurotoxic chemical – it is poisonous to the brain.
 - Daily e-cigarette users have **twice the risk of a heart attack** – and for those who both vape and smoke cigarettes, the risk increases to 5 times as likely. (American Journal of Preventative Medicine)
 - Teenagers are especially susceptible to the risks of nicotine. Immediate side effects in teenagers range from lightheadedness, dizziness, and sleep disruption to increased heart rate and blood pressure, coronary artery constriction, bronchospasms, nausea, and seizures. Longer-term effects can include decreased focus and attention, impulse-control problems, memory and learning difficulties, and emotional disorders.
 - The U.S. Surgeon General estimates that 5.6 million young people alive today will **die prematurely** from tobacco.
- Health Risks Associated with Vaping:
 - E-cigarettes contain toxic chemicals, including **formaldehyde, arsenic, and acetone**.
 - Vaping leads to lung tissue inflammation and harms the lungs' protective cells, making people susceptible to allergens and may even lead to **COPD, respiratory disorders, and other health problems**. (University of Birmingham)
- Risk of Addiction:
 - The brain does not finish developing until a person is about 25 years old. **Exposure to a highly addictive drug like nicotine can dramatically change the brain**, making kids get more addicted to nicotine more quickly than adults.
 - CDC research shows that teens who vape are **seven times more likely to smoke regular cigarettes**.
 - According to the CDC, teenage addiction to nicotine may make future misuse of drugs like cocaine and methamphetamine more likely.



Prevalence Among Minors

- In 2017 in North Carolina, 17% of high school students and 5% of middle school students reported using an e-cigarette in the past 30 days, even though distributing e-cigarettes to minors is illegal in North Carolina.
- This figure is certainly higher in 2019 as e-cigarette use by teens skyrocketed between 2017 and 2018 – increasing among high-schoolers by 78 percent and among by middle-schoolers by 48 percent nationally.
- According to the 2018 National Youth Tobacco Survey, more than 3.6 million kids are currently using e-cigarettes.
- JUUL, which has 75 percent of the overall e-cigarette market, has claimed that e-cigarettes are intended only for adult smokers who are trying to quit cigarettes. However, teens aged 15 to 17 are far more likely to use JUUL than its supposed target demographic of 25-34 year-olds.

JUUL's Business Strategy

- JUUL deliberately **designed** candy- and dessert-like flavors, a sleek new look, and even altered the chemical composition of its e-cigarettes making them more appealing to a youthful audience inexperienced with tobacco.
 - Kid-friendly flavors include mango, cucumber, fruit, crème, and mint. **81.5 percent of youth e-cigarette users said they use e-cigarettes because they like flavors.**
 - JUUL also created its device's sleek design to be attractive to young people – in part because it is easy to hide.
 - JUUL also manipulated the chemical content of its e-cigarettes to make the vapor less harsh on the throats of young and inexperienced smokers.
- The company's **marketing** also appeals to a youthful audience.
 - It chose media platforms and marketing channels that are known to attract minors.
 - It has used models who look like teenagers.
 - It has sought out youth-oriented sponsors and influencers with a heavy emphasis on social media.
- JUUL's sales strategy also allows purchasers to avoid or circumvent age requirements.
 - Internet-based sales prevent sellers from seeing customers face-to-face – making it difficult to directly confirm age.
 - JUUL has relied on age-verification techniques that it knows are ineffective and has been slow to change these techniques for fear of losing sales.

Attorney General Stein's Suit Requests:

- Preliminary and permanent injunctive relief requiring JUUL **not to**:
 - Sell e-cigarettes to minors in North Carolina,
 - Sell any flavors other than tobacco and mint in North Carolina,
 - Send marketing emails to any minors in the state,
 - Advertise e-cigarette products in any way that is intended to or likely to appeal to minors, including youth-oriented social media or influencers,
 - Advertise outdoors within 1,000 feet of a school or playground,
 - Sponsor any sports, entertainment, or charity events in North Carolina,
 - Provide e-cigarettes for free or at a discount,
 - Advertise to any outlet that targets people under 30,
 - Maintain any customer information for all customers in North Carolina who JUUL cannot confirm are at least 18, and
 - Misrepresent nicotine potency of its products.
- Civil penalties for each violation of the North Carolina Unfair or Deceptive Trade Practices Act.
- Disgorging JUUL's profits from its unfair or deceptive acts and practices.
- Reimburse the state's costs of bringing suit.