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**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

IN RE: JUUL LABS INC.
ANTITRUST LITIGATION

Case No. 3:20-cv-02345-WHO

**ALTRIA DEFENDANTS’ ANSWER TO
INDIRECT PURCHASER PLAINTIFFS’
AMENDED CONSOLIDATED CLASS
ACTION COMPLAINT**

Defendants Altria Group, Inc. (“Altria Group”) and Altria Enterprises LLC (“Altria Enterprises”) (collectively, the “Altria Defendants”) hereby answer Indirect Purchaser Plaintiffs’ Amended Consolidated Complaint (“Complaint”), ECF No. 271, as follows:

PRELIMINARY STATEMENT

Altria Defendants submit this consolidated Answer for the convenience of the Court and the parties, because the significant majority of responses are identical for both entities. Where Altria Defendants have distinct responses to an allegation, the responses below make that clear. Filing this consolidated Answer is not an admission of any kind, and Altria Defendants reserve the right to file separate Answers for each separate corporate entity if necessary.

The Complaint improperly mixes factual averments with argumentative rhetoric so as to make admissions or denials of such averments difficult or impossible. Further, much of the Complaint consists of a selective recitation of historical facts and/or rumors, much of which is inflammatory in tone and content. Finally, many of the allegations in the Complaint are overbroad, vague, or conclusory and include terms that are undefined and are susceptible to different meanings. Accordingly, by way of a general response, all allegations are denied unless specifically admitted, and any factual averment admitted is admitted only as to the specific facts and not as to any conclusions, characterizations, implications, or speculations that are contained in the averment or in the Complaint as a whole.

1 The Complaint also contains many purported quotations from a number of sources, some
2 identified, some not. Plaintiffs do not provide copies of the documents from which quotations were
3 taken, which has impaired Altria Defendants' ability to confirm or deny the accuracy of the
4 quotations in the Complaint as compared to the original text. Altria Defendants, therefore, do not
5 admit the authenticity of any documents from which the quotations were taken and reserves the
6 right to challenge the accuracy of the quotations (either as quoted or in the context of material not
7 quoted). Furthermore, with reference to all quotations, citations to documents, or any such
8 averments that might be offered into evidence, Altria Defendants specifically reserve the right to
9 object to any use of such averments or the Complaint as a whole in evidence for any purpose
10 whatsoever.

11 To the extent these quotations originate in documents protected by the attorney-client
12 privilege, the work product doctrine, the joint defense privilege, and/or the common interest
13 privilege, Altria Defendants state that it is improper for Plaintiffs to have referred to and quoted
14 from such documents in the Complaint, and Altria Defendants reserve the right to assert such
15 privileges and to move to strike such references.

16 Altria Defendants do not interpret the table of contents, headings, subheadings,
17 photographs, or charts throughout the Complaint to be well-pleaded allegations of fact to which
18 any response is required. To the extent a response is required, Altria Defendants generally deny all
19 allegations in the table of contents, headings, subheadings, photographs, or charts of the Complaint.
20 Use of certain terms or phrases defined in the Complaint is not an admission of any characterization
21 Plaintiffs may ascribe to the defined terms. Unless otherwise defined, capitalized terms shall refer
22 to the capitalized terms defined in the Complaint, but any such use is not an acknowledgment or
23 admission of any characterization Plaintiffs may ascribe to the capitalized terms.

24 Altria Defendants do not concede the truthfulness of third-party articles and news sources
25 quoted or referenced in the Complaint. To the extent a response is required, Altria Defendants deny
26 all allegations of the third-party articles and news sources quoted in or referenced in the Complaint.
27 To the extent any allegations are directed toward any party other than Altria Defendants, Altria

1 Defendants lack knowledge or information sufficient to form a belief regarding the truth of those
2 allegations and, therefore, denies them on that basis. Altria Defendants answer the allegations on
3 behalf of themselves only.

4 These comments and objections are incorporated, to the extent appropriate, into each
5 numbered paragraph of this Answer.

6 **RESPONSES TO NUMBERED PARAGRAPHS OF COMPLAINT**

7 **INTRODUCTION¹**

8 1. Paragraph 1 asserts legal conclusions to which no response is required. Altria
9 Defendants admit that Plaintiffs purport to bring this case as a class action, but deny that class
10 treatment is appropriate. Altria Defendants deny the existence of a single Closed-System E-
11 Cigarette market and deny the remaining allegations of Paragraph 1 to the extent they are directed
12 toward Altria Defendants. To the extent the allegations of Paragraph 1 are directed toward other
13 Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as
14 to the truth of the allegations of Paragraph 1 and, therefore, deny the same.

15 2. Paragraph 2 asserts legal conclusions to which no response is required. To the extent
16 a response is required and to the extent the allegations of Paragraph 2 are directed toward Altria
17 Defendants, Altria Defendants deny the allegations of Paragraph 2. To the extent the allegations
18 of Paragraph 2 are directed toward other Defendants, Altria Defendants are without knowledge or
19 information sufficient to form a belief as to the truth of those allegations and, therefore, deny the
20 same.

21 3. Paragraph 3 purports to selectively quote, reference, and/or paraphrase certain
22 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
23 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
24 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
25 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
26 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of

27 _____
28 ¹ No response is needed to Footnote 1 because it does not contain any allegations.

1 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
2 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that on
3 April 1, 2020, the Federal Trade Commission filed an administrative complaint alleging that JUUL
4 Labs, Inc. (“JLI”) and Altria Group entered a series of agreements that eliminated competition in
5 violation of federal antitrust laws, but deny that the FTC’s complaint had merit. Altria Defendants
6 further admit that on December 20, 2018, JLI and Altria Group executed a series of agreements,
7 including a Purchase Agreement, Relationship Agreement, Services Agreement, Intellectual
8 Property License Agreement, and Voting Agreement (collectively, the “Transaction”). Altria
9 Defendants deny the remaining allegations of Paragraph 3 to the extent they are directed toward
10 Altria Defendants. To the extent the allegations of Paragraph 3 are directed toward other
11 Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as
12 to the truth of those allegations and, therefore, deny the same.

13 4. The allegations of Paragraph 4 are not directed toward Altria Defendants, and,
14 therefore, no response is required. To the extent a response is required, Altria Defendants admit
15 that closed-system e-cigarettes have pre-filled, disposable pods or cartridges and are sold in a range
16 of retail stores, including convenience stores and gas stations. Altria Defendants are without
17 knowledge or information sufficient to form a belief as to the truth of the remaining allegations of
18 Paragraph 4 and, therefore, deny the same.

19 5. The allegations of Paragraph 5 are not directed toward Altria Defendants, and,
20 therefore, no response is required. To the extent a response is required, Paragraph 5 appears to
21 selectively quote, reference, and/or paraphrase certain alleged documents, statements, and/or
22 statistics. Altria Defendants deny that the alleged documents, statements, and/or statistics are
23 quoted, referenced, and/or paraphrased in context or in their entirety, deny Plaintiffs’
24 characterization of the alleged documents, statements, and/or statistics, deny Plaintiffs’ insinuation
25 and implication regarding the content or meaning of the alleged documents, statements, and/or
26 statistics, and do not concede the truthfulness or accuracy of the alleged documents, statements,
27 and/or statistics. Altria Defendants state that the alleged documents, statements, and/or statistics

1 speak for themselves. Altria Defendants deny the existence of a single Closed-System E-Cigarette
2 market and deny the remaining allegations of Paragraph 5. To the extent the allegations of
3 Paragraph 5 are directed toward other Defendants, Altria Defendants are without knowledge or
4 information sufficient to form a belief as to the truth of those allegations and, therefore, deny the
5 same.

6 6. Paragraph 6 appears to selectively quote, reference, and/or paraphrase certain
7 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
8 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
9 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
10 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
11 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
12 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
13 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that until
14 2003, Altria Group, Inc. was previously known as Philip Morris Companies Inc. Altria Defendants
15 deny that Altria Group has ever manufactured, advertised, or sold cigarettes or any other consumer
16 product and deny the remaining allegations of Paragraph 6. To the extent the allegations of
17 Paragraph 6 are directed toward other Defendants, Altria Defendants are without knowledge or
18 information sufficient to form a belief as to the truth of those allegations and, therefore, deny the
19 same.

20 7. Paragraph 7 appears to selectively quote, reference, and/or paraphrase certain
21 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
22 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
23 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
24 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
25 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
26 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
27 documents, statements, and/or statistics speak for themselves. To the extent the allegations of

1 Paragraph 7 are directed toward Altria Defendants, Altria Defendants admit that Altria Group's
2 wholly owned subsidiary Nu Mark LLC began trials of the MarkTen electronic cigarette in 2013,
3 and launched the product nationally in 2014. Altria Defendants further admit that Nu Mark
4 acquired Green Smoke, Inc. in April 2014, and that Nu Mark introduced the MarkTen Elite pod-
5 based product in February 2018. Altria Defendants deny the existence of a single Closed-System
6 E-Cigarette market and deny the remaining allegations of Paragraph 7. To the extent the allegations
7 of Paragraph 7 are directed toward other Defendants, Altria Defendants are without knowledge or
8 information sufficient to form a belief as to the truth of those allegations and, therefore, deny the
9 same.

10 8. Paragraph 8 appears to selectively quote, reference, and/or paraphrase certain
11 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
12 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
13 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
14 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
15 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
16 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
17 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the existence
18 of a single Closed-System E-Cigarette market and deny the remaining allegations of Paragraph 8
19 to the extent they are directed toward Altria Defendants. To the extent the allegations of Paragraph
20 8 are directed toward other Defendants, Altria Defendants are without knowledge or information
21 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

22 9. To the extent the allegations of Paragraph 9 are directed toward Altria Defendants,
23 Altria Defendants deny the existence of a single Closed-System E-Cigarette market and deny the
24 allegations of Paragraph 9. To the extent the allegations of Paragraph 9 are directed toward other
25 Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as
26 to the truth of those allegations and, therefore, deny the same.

1 10. Paragraph 10 purports to selectively quote, reference, and/or paraphrase certain
2 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
3 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
4 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
5 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
6 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
7 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
8 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that Marty
9 Barrington is a former CEO of Altria Group, but deny the remaining allegations of Paragraph 10 to
10 the extent they are directed toward Altria Defendants. To the extent the allegations of Paragraph
11 10 are directed toward other Defendants, Altria Defendants are without knowledge or information
12 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

13 11. Paragraph 11 appears to selectively quote, reference, and/or paraphrase certain
14 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
15 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
16 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
17 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
18 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
19 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
20 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that FDA
21 promulgated regulations pertaining to e-cigarette manufacturers in 2016, requiring pre-market
22 approval for new e-vapor products and approval for e-vapor products on the market prior to August
23 8, 2016. Altria Defendants deny the existence of a single Closed-System E-Cigarette market and
24 deny the remaining allegations of Paragraph 11 to the extent they are directed toward Altria
25 Defendants. To the extent the allegations of Paragraph 11 are directed toward other Defendants,
26 Altria Defendants are without knowledge or information sufficient to form a belief as to the truth
27 of those allegations and, therefore, deny the same.

1 12. To the extent the allegations of Paragraph 12 are directed toward Altria Defendants,
2 Altria Defendants deny the allegations of Paragraph 12. To the extent the allegations of Paragraph
3 12 are directed toward other Defendants, Altria Defendants are without knowledge or information
4 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

5 13. Paragraph 13 appears to selectively quote, reference, and/or paraphrase certain
6 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
7 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
8 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
9 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
10 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
11 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
12 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that Altria
13 Group referred to the potential investment in JUUL Labs, Inc. using the code name "Project Tree,"
14 but deny the remaining allegations of Paragraph 13 to the extent they are directed toward Altria
15 Defendants. To the extent the allegations of Paragraph 13 are directed toward other Defendants,
16 Altria Defendants are without knowledge or information sufficient to form a belief as to the truth
17 of those allegations and, therefore, deny the same.

18 14. Paragraph 14 purports to selectively quote, reference, and/or paraphrase certain
19 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
20 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
21 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
22 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
23 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
24 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
25 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
26 remaining allegations of Paragraph 14 to the extent they are directed toward Altria Defendants. To
27 the extent the allegations of Paragraph 14 are directed toward other Defendants, Altria Defendants

1 are without knowledge or information sufficient to form a belief as to the truth of those allegations
2 and, therefore, deny the same.

3 15. To the extent the allegations of Paragraph 15 are directed toward Altria Defendants,
4 Altria Defendants deny the allegations of Paragraph 15. To the extent the allegations of Paragraph
5 15 are directed toward other Defendants, Altria Defendants are without knowledge or information
6 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

7 16. Paragraph 16 purports to selectively quote, reference, and/or paraphrase certain
8 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
9 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
10 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
11 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
12 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
13 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
14 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that, in
15 December 2018, Altria Group purchased, through a wholly owned subsidiary, a 35% minority non-
16 voting interest in JUUL Labs, Inc. for \$12.8 billion. Altria Defendants further admit that on
17 December 20, 2018, Altria Group and JUUL Labs, Inc. executed a series of agreements, including
18 a Purchase Agreement, Relationship Agreement, Services Agreement, Intellectual Property
19 License Agreement, and Voting Agreement (collectively, the "Transaction"). Altria Defendants
20 deny the remaining allegations of Paragraph 16 to the extent they are directed toward Altria
21 Defendants. To the extent the allegations of Paragraph 16 are directed toward other Defendants,
22 Altria Defendants are without knowledge or information sufficient to form a belief as to the truth
23 of those allegations and, therefore, deny the same.

24 17. Paragraph 17 purports to selectively quote, reference, and/or paraphrase certain
25 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
26 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
27 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or

1 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
2 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
3 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
4 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
5 remaining allegations of Paragraph 17 to the extent they are directed toward Altria Defendants. To
6 the extent the allegations of Paragraph 17 are directed toward other Defendants, Altria Defendants
7 are without knowledge or information sufficient to form a belief as to the truth of those allegations
8 and, therefore, deny the same.

9 18. Paragraph 18 purports to selectively quote, reference, and/or paraphrase certain
10 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
11 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
12 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
13 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
14 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
15 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
16 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
17 remaining allegations of Paragraph 18 to the extent they are directed toward Altria Defendants. To
18 the extent the allegations of Paragraph 18 are directed toward other Defendants, Altria Defendants
19 are without knowledge or information sufficient to form a belief as to the truth of those allegations
20 and, therefore, deny the same.

21 19. Paragraph 19 asserts legal conclusions to which no response is required. To the
22 extent a response is required and to the extent the allegations of Paragraph 19 are directed toward
23 Altria Defendants, Altria Defendants admit that Altria Group and JUUL Labs, Inc. entered into an
24 Amended Relationship Agreement on January 28, 2020, but deny the remaining allegations of
25 Paragraph 19. To the extent the allegations of Paragraph 19 are directed toward other Defendants,
26 Altria Defendants are without knowledge or information sufficient to form a belief as to the truth
27 of those allegations and, therefore, deny the same.

1 knowledge or information sufficient to form a belief as to the truth of those allegations and,
2 therefore, deny the same.

3 24. Paragraph 24 asserts legal conclusions to which no response is required. To the
4 extent a response is required and to the extent the allegations of Paragraph 24 are directed toward
5 Altria Defendants, Altria Defendants deny the allegations of Paragraph 24. To the extent the
6 allegations of Paragraph 24 are directed toward other Defendants, Altria Defendants are without
7 knowledge or information sufficient to form a belief as to the truth of those allegations and,
8 therefore, deny the same.

9 **INTRADISTRICT ASSIGNMENT**

10 25. Paragraph 25 asserts legal conclusions to which no response is required. To the
11 extent a response is required and to the extent the allegations of Paragraph 25 are directed toward
12 Altria Defendants, Altria Defendants deny the allegations of Paragraph 25. To the extent the
13 allegations of Paragraph 25 are directed toward other Defendants, Altria Defendants are without
14 knowledge or information sufficient to form a belief as to the truth of those allegations and,
15 therefore, deny the same.

16 **PARTIES**

17 26. The allegations of Paragraph 26 are not directed toward Altria Defendants, and,
18 therefore, no response is required. To the extent a response is required and to the extent the
19 allegations of Paragraph 26 are directed toward Altria Defendants, Altria Defendants deny the
20 allegations of Paragraph 26. To the extent the allegations of Paragraph 26 are directed toward other
21 Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as
22 to the truth of those allegations and, therefore, deny the same.

23 27. The allegations of Paragraph 27 are not directed toward Altria Defendants, and,
24 therefore, no response is required. To the extent a response is required and to the extent the
25 allegations of Paragraph 27 are directed toward Altria Defendants, Altria Defendants deny the
26 allegations of Paragraph 27. To the extent the allegations of Paragraph 27 are directed toward other
27

1 Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as
2 to the truth of those allegations and, therefore, deny the same.

3 28. The allegations of Paragraph 28 are not directed toward Altria Defendants, and,
4 therefore, no response is required. To the extent a response is required and to the extent the
5 allegations of Paragraph 28 are directed toward Altria Defendants, Altria Defendants deny the
6 allegations of Paragraph 28. To the extent the allegations of Paragraph 28 are directed toward other
7 Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as
8 to the truth of those allegations and, therefore, deny the same.

9 29. The allegations of Paragraph 29 are not directed toward Altria Defendants, and,
10 therefore, no response is required. To the extent a response is required and to the extent the
11 allegations of Paragraph 29 are directed toward Altria Defendants, Altria Defendants deny the
12 allegations of Paragraph 29. To the extent the allegations of Paragraph 29 are directed toward other
13 Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as
14 to the truth of those allegations and, therefore, deny the same.

15 30. The allegations of Paragraph 30 are not directed toward Altria Defendants, and,
16 therefore, no response is required. To the extent a response is required and to the extent the
17 allegations of Paragraph 30 are directed toward Altria Defendants, Altria Defendants deny the
18 allegations of Paragraph 30. To the extent the allegations of Paragraph 30 are directed toward other
19 Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as
20 to the truth of those allegations and, therefore, deny the same.

21 31. The allegations of Paragraph 31 are not directed toward Altria Defendants, and,
22 therefore, no response is required. To the extent a response is required and to the extent the
23 allegations of Paragraph 31 are directed toward Altria Defendants, Altria Defendants deny the
24 allegations of Paragraph 31. To the extent the allegations of Paragraph 31 are directed toward other
25 Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as
26 to the truth of those allegations and, therefore, deny the same.

1 32. The allegations of Paragraph 32 are not directed toward Altria Defendants, and,
2 therefore, no response is required. To the extent a response is required and to the extent the
3 allegations of Paragraph 32 are directed toward Altria Defendants, Altria Defendants deny the
4 allegations of Paragraph 32. To the extent the allegations of Paragraph 32 are directed toward other
5 Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as
6 to the truth of those allegations and, therefore, deny the same.

7 33. The allegations of Paragraph 33 are not directed toward Altria Defendants, and,
8 therefore, no response is required. To the extent a response is required and to the extent the
9 allegations of Paragraph 33 are directed toward Altria Defendants, Altria Defendants deny the
10 allegations of Paragraph 33. To the extent the allegations of Paragraph 33 are directed toward other
11 Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as
12 to the truth of those allegations and, therefore, deny the same.

13 34. The allegations of Paragraph 34 are not directed toward Altria Defendants, and,
14 therefore, no response is required. To the extent a response is required and to the extent the
15 allegations of Paragraph 34 are directed toward Altria Defendants, Altria Defendants deny the
16 allegations of Paragraph 34. To the extent the allegations of Paragraph 34 are directed toward other
17 Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as
18 to the truth of those allegations and, therefore, deny the same.

19 35. The allegations of Paragraph 35 are not directed toward Altria Defendants, and,
20 therefore, no response is required. To the extent a response is required, Altria Defendants admit
21 that JUUL Labs, Inc. is a party to the Relationship Agreement and Amended Relationship
22 Agreement with Altria Group, and are informed and believe that JUUL Labs, Inc. is a Delaware
23 corporation. Altria Defendants deny that JUUL Labs, Inc.'s principal place of business is in San
24 Francisco, California, and deny the remaining allegations of Paragraph 35 to the extent they are
25 directed toward Altria Defendants. To the extent the allegations of Paragraph 35 are directed
26 toward other Defendants, Altria Defendants are without knowledge or information sufficient to
27 form a belief as to the truth of those allegations and, therefore, deny the same.

1 36. Paragraph 36 purports to selectively quote, reference, and/or paraphrase certain
2 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
3 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
4 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
5 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
6 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
7 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
8 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that Altria
9 Group is a Virginia corporation headquartered at 6601 West Broad Street, Richmond, Virginia, but
10 deny that the ZIP code of Altria Group's headquarters is 22320. Altria admits that Philip Morris
11 International Inc. was a wholly owned subsidiary of Altria Group prior to 2008. Altria Defendants
12 deny the remaining allegations of Paragraph 36 to the extent they are directed toward Altria
13 Defendants. To the extent the allegations of Paragraph 36 are directed toward other Defendants,
14 Altria Defendants are without knowledge or information sufficient to form a belief as to the truth
15 of those allegations and, therefore, deny the same.

16 37. Paragraph 37 purports to selectively quote, reference, and/or paraphrase certain
17 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
18 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
19 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
20 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
21 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
22 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
23 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that Altria
24 Group is a party to the Relationship Agreement and Amended Relationship Agreement with JLI,
25 but deny the remaining allegations of Paragraph 37 to the extent they are directed toward Altria
26 Defendants. To the extent the allegations of Paragraph 37 are directed toward other Defendants,
27

1 Altria Defendants are without knowledge or information sufficient to form a belief as to the truth
2 of those allegations and, therefore, deny the same.

3 38. Altria Defendants admit that Altria Enterprises is a wholly owned subsidiary of
4 Altria Group and is located at 6601 West Broad Street, Richmond, Virginia, but deny that the ZIP
5 code of this location is 22320. Altria Defendants deny the remaining allegations of Paragraph 38
6 to the extent they are directed toward Altria Defendants. To the extent the allegations of Paragraph
7 38 are directed toward other Defendants, Altria Defendants are without knowledge or information
8 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

9 39. No response is required to Paragraph 39 because it does not contain any allegations.

10 **AGENTS AND CO-CONSPIRATORS**

11 40. Altria Defendants deny the allegations of Paragraph 40 to the extent they are
12 directed toward Altria Defendants. To the extent the allegations of Paragraph 40 are directed
13 toward other Defendants, Altria Defendants are without knowledge or information sufficient to
14 form a belief as to the truth of those allegations and, therefore, deny the same.

15 41. Altria Defendants deny the allegations of Paragraph 41 to the extent they are
16 directed toward Altria Defendants. To the extent the allegations of Paragraph 41 are directed
17 toward other Defendants, Altria Defendants are without knowledge or information sufficient to
18 form a belief as to the truth of those allegations and, therefore, deny the same.

19 42. Altria Defendants deny the allegations of Paragraph 42 to the extent they are
20 directed toward Altria Defendants. To the extent the allegations of Paragraph 42 are directed
21 toward other Defendants, Altria Defendants are without knowledge or information sufficient to
22 form a belief as to the truth of those allegations and, therefore, deny the same.

23 43. The allegations of Paragraph 43 are not directed toward Altria Defendants, and,
24 therefore, no response is required. To the extent a response is required, Altria Defendants are
25 without knowledge or information sufficient to form a belief as to the truth of those allegations and,
26 therefore, deny the same.

1 and/or paraphrased in context or in their entirety, deny Plaintiffs' characterization of the alleged
2 documents, statements, and/or statistics, deny Plaintiffs' insinuation and implication regarding the
3 content or meaning of the alleged documents, statements, and/or statistics, and do not concede the
4 truthfulness or accuracy of the alleged documents, statements, and/or statistics. Altria Defendants
5 state that the alleged documents, statements, and/or statistics speak for themselves. Altria
6 Defendants deny the remaining allegations of Paragraph 46 to the extent they are directed toward
7 Altria Defendants. To the extent the allegations of Paragraph 46 are directed toward other
8 Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as
9 to the truth of those allegations and, therefore, deny the same.

10 47. Paragraph 47 purports to selectively quote, reference, and/or paraphrase certain
11 alleged documents, statements, and/or statistics. Altria Defendants deny that the photograph
12 included in Paragraph 47 consist of well-pleaded allegations of fact to which any response is
13 required. Altria Defendants deny that the alleged documents, statements, and/or statistics are
14 quoted, referenced, and/or paraphrased in context or in their entirety, deny Plaintiffs'
15 characterization of the alleged documents, statements, and/or statistics, deny Plaintiffs' insinuation
16 and implication regarding the content or meaning of the alleged documents, statements, and/or
17 statistics, and do not concede the truthfulness or accuracy of the alleged documents, statements,
18 and/or statistics. Altria Defendants state that the alleged documents, statements, and/or statistics
19 speak for themselves. Altria Defendants deny the remaining allegations of Paragraph 47 to the
20 extent they are directed toward Altria Defendants. To the extent the allegations of Paragraph 47
21 are directed toward other Defendants, Altria Defendants are without knowledge or information
22 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

23 48. The allegations of Paragraph 48 are not directed toward Altria Defendants, and,
24 therefore, no response is required. To the extent a response is required and to the extent the
25 allegations of Paragraph 48 are directed toward Altria Defendants, Altria Defendants deny the
26 existence of a single Closed-System E-Cigarette market and deny the allegations of Paragraph 48.
27 To the extent the allegations of Paragraph 48 are directed toward other Defendants, Altria

1 Defendants are without knowledge or information sufficient to form a belief as to the truth of those
2 allegations and, therefore, deny the same.

3 49. The allegations of Paragraph 49 are not directed toward Altria Defendants, and,
4 therefore, no response is required. To the extent a response is required and to the extent the
5 allegations of Paragraph 49 are directed toward Altria Defendants, Altria Defendants deny the
6 existence of a single Closed-System E-Cigarette market and deny the allegations of Paragraph 49.
7 To the extent the allegations of Paragraph 49 are directed toward other Defendants, Altria
8 Defendants are without knowledge or information sufficient to form a belief as to the truth of those
9 allegations and, therefore, deny the same.

10 50. Paragraph 50 purports to selectively quote, reference, and/or paraphrase certain
11 alleged documents, statements, and/or statistics. Altria Defendants deny that the photograph
12 included in Paragraph 50 consist of well-pleaded allegations of fact to which any response is
13 required. Altria Defendants deny that the alleged documents, statements, and/or statistics are
14 quoted, referenced, and/or paraphrased in context or in their entirety, deny Plaintiffs'
15 characterization of the alleged documents, statements, and/or statistics, deny Plaintiffs' insinuation
16 and implication regarding the content or meaning of the alleged documents, statements, and/or
17 statistics, and do not concede the truthfulness or accuracy of the alleged documents, statements,
18 and/or statistics. Altria Defendants state that the alleged documents, statements, and/or statistics
19 speak for themselves. Altria Defendants deny the remaining allegations of Paragraph 50 to the
20 extent they are directed toward Altria Defendants. To the extent the allegations of Paragraph 50
21 are directed toward other Defendants, Altria Defendants are without knowledge or information
22 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

23 51. Paragraph 51 purports to selectively quote, reference, and/or paraphrase certain
24 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
25 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
26 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
27 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the

1 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
2 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
3 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
4 remaining allegations of Paragraph 51 to the extent they are directed toward Altria Defendants. To
5 the extent the allegations of Paragraph 51 are directed toward other Defendants, Altria Defendants
6 are without knowledge or information sufficient to form a belief as to the truth of those allegations
7 and, therefore, deny the same.

8 52. Paragraph 52 appears to selectively quote, reference, and/or paraphrase certain
9 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
10 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
11 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
12 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
13 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
14 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
15 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
16 remaining allegations of Paragraph 52 to the extent they are directed toward Altria Defendants. To
17 the extent the allegations of Paragraph 52 are directed toward other Defendants, Altria Defendants
18 are without knowledge or information sufficient to form a belief as to the truth of those allegations
19 and, therefore, deny the same.

20 **B. Altria Was Well-Positioned to Compete With JUUL**

21 53. Paragraph 53 purports to selectively quote, reference, and/or paraphrase certain
22 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
23 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
24 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
25 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
26 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
27 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged

1 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the existence
2 of a single Closed-System E-Cigarette market and deny the remaining allegations of Paragraph 53
3 to the extent they are directed toward Altria Defendants. To the extent the allegations of Paragraph
4 53 are directed toward other Defendants, Altria Defendants are without knowledge or information
5 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

6 54. To the extent the allegations of Paragraph 54 are directed toward Altria Defendants,
7 Altria Defendants deny the allegations of Paragraph 54. To the extent the allegations of Paragraph
8 54 are directed toward other Defendants, Altria Defendants are without knowledge or information
9 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

10 55. Paragraph 55 purports to selectively quote, reference, and/or paraphrase certain
11 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
12 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
13 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
14 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
15 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
16 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
17 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that FDA
18 has had the ability to regulate tobacco products since the Family Smoking Prevention and Tobacco
19 Control Act of 2009; that in 2016, FDA issued a rule deeming all tobacco products, including e-
20 cigarette products, to be subject to these regulations; that e-cigarettes new to the U.S. market on or
21 after August 8, 2016 must receive pre-market FDA approval; and that FDA had set a deadline of
22 May 9, 2020 (moved to September 9, 2020 due to the COVID-19 pandemic) for approval
23 applications for e-cigarette products that existed in the U.S. market prior to August 8, 2016. Altria
24 Defendants deny the remaining allegations of Paragraph 55 to the extent they are directed toward
25 Altria Defendants. To the extent the allegations of Paragraph 55 are directed toward other
26 Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as
27 to the truth of those allegations and, therefore, deny the same.

1 56. The allegations of Paragraph 56 are not directed toward Altria Defendants, and,
2 therefore, no response is required. To the extent a response is required, Paragraph 56 purports to
3 selectively quote, reference, and/or paraphrase certain alleged documents, statements, and/or
4 statistics. Altria Defendants deny that the alleged documents, statements, and/or statistics are
5 quoted, referenced, and/or paraphrased in context or in their entirety, deny Plaintiffs'
6 characterization of the alleged documents, statements, and/or statistics, deny Plaintiffs' insinuation
7 and implication regarding the content or meaning of the alleged documents, statements, and/or
8 statistics, and do not concede the truthfulness or accuracy of the alleged documents, statements,
9 and/or statistics. Altria Defendants state that the alleged documents, statements, and/or statistics
10 speak for themselves. Altria Defendants deny the remaining allegations of Paragraph 56 to the
11 extent they are directed toward Altria Defendants. To the extent the allegations of Paragraph 56
12 are directed toward other Defendants, Altria Defendants are without knowledge or information
13 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

14 57. Paragraph 57 purports to selectively quote, reference, and/or paraphrase certain
15 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
16 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
17 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
18 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
19 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
20 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
21 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that Altria
22 Group gave a presentation to investors in November 2017, but deny the remaining allegations of
23 Paragraph 57 to the extent they are directed toward Altria Defendants. To the extent the allegations
24 of Paragraph 57 are directed toward other Defendants, Altria Defendants are without knowledge or
25 information sufficient to form a belief as to the truth of those allegations and, therefore, deny the
26 same.

1 58. Paragraph 58 purports to selectively quote, reference, and/or paraphrase certain
2 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
3 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
4 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
5 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
6 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
7 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
8 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
9 remaining allegations of Paragraph 58 to the extent they are directed toward Altria Defendants. To
10 the extent the allegations of Paragraph 58 are directed toward other Defendants, Altria Defendants
11 are without knowledge or information sufficient to form a belief as to the truth of those allegations
12 and, therefore, deny the same.

13 59. Paragraph 59 appears to selectively quote, reference, and/or paraphrase certain
14 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
15 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
16 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
17 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
18 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
19 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
20 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
21 remaining allegations of Paragraph 59 to the extent they are directed toward Altria Defendants. To
22 the extent the allegations of Paragraph 59 are directed toward other Defendants, Altria Defendants
23 are without knowledge or information sufficient to form a belief as to the truth of those allegations
24 and, therefore, deny the same.

25 60. Paragraph 60 purports to selectively quote, reference, and/or paraphrase certain
26 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
27 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in

1 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
2 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
3 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
4 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
5 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
6 remaining allegations of Paragraph 60 to the extent they are directed toward Altria Defendants. To
7 the extent the allegations of Paragraph 60 are directed toward other Defendants, Altria Defendants
8 are without knowledge or information sufficient to form a belief as to the truth of those allegations
9 and, therefore, deny the same.

10 61. Paragraph 61 purports to selectively quote, reference, and/or paraphrase certain
11 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
12 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
13 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
14 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
15 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
16 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
17 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the existence
18 of a single Closed-System E-Cigarette market and deny the remaining allegations of Paragraph 61
19 to the extent they are directed toward Altria Defendants. To the extent the allegations of Paragraph
20 61 are directed toward other Defendants, Altria Defendants are without knowledge or information
21 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

22 62. To the extent the allegations of Paragraph 62 are directed toward Altria Defendants,
23 Altria Defendants deny the existence of a single Closed-System E-Cigarette market and deny the
24 allegations of Paragraph 62. To the extent the allegations of Paragraph 62 are directed toward other
25 Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as
26 to the truth of those allegations and, therefore, deny the same.

1 63. Paragraph 63 appears to selectively quote, reference, and/or paraphrase certain
2 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
3 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
4 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
5 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
6 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
7 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
8 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that Altria
9 Group's wholly owned subsidiary Nu Mark launched the MarkTen Elite in February 2018, and that
10 MarkTen Elite was an electronic device with a rechargeable battery and prefilled pods available in
11 different flavors. Altria Defendants deny the remaining allegations of Paragraph 63 to the extent
12 they are directed toward Altria Defendants. To the extent the allegations of Paragraph 63 are
13 directed toward other Defendants, Altria Defendants are without knowledge or information
14 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

15 64. Paragraph 64 purports to selectively quote, reference, and/or paraphrase certain
16 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
17 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
18 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
19 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
20 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
21 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
22 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
23 remaining allegations of Paragraph 64 to the extent they are directed toward Altria Defendants. To
24 the extent the allegations of Paragraph 64 are directed toward other Defendants, Altria Defendants
25 are without knowledge or information sufficient to form a belief as to the truth of those allegations
26 and, therefore, deny the same.

1 65. Paragraph 65 purports to selectively quote, reference, and/or paraphrase certain
2 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
3 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
4 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
5 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
6 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
7 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
8 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
9 remaining allegations of Paragraph 65 to the extent they are directed toward Altria Defendants. To
10 the extent the allegations of Paragraph 65 are directed toward other Defendants, Altria Defendants
11 are without knowledge or information sufficient to form a belief as to the truth of those allegations
12 and, therefore, deny the same.

13 66. Paragraph 66 purports to selectively quote, reference, and/or paraphrase certain
14 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
15 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
16 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
17 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
18 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
19 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
20 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
21 remaining allegations of Paragraph 66 to the extent they are directed toward Altria Defendants. To
22 the extent the allegations of Paragraph 66 are directed toward other Defendants, Altria Defendants
23 are without knowledge or information sufficient to form a belief as to the truth of those allegations
24 and, therefore, deny the same.

25 67. Paragraph 67 purports to selectively quote, reference, and/or paraphrase certain
26 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
27 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in

1 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
2 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
3 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
4 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
5 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
6 remaining allegations of Paragraph 67 to the extent they are directed toward Altria Defendants. To
7 the extent the allegations of Paragraph 67 are directed toward other Defendants, Altria Defendants
8 are without knowledge or information sufficient to form a belief as to the truth of those allegations
9 and, therefore, deny the same.

10 68. Paragraph 68 purports to selectively quote, reference, and/or paraphrase certain
11 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
12 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
13 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
14 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
15 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
16 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
17 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
18 remaining allegations of Paragraph 68 to the extent they are directed toward Altria Defendants. To
19 the extent the allegations of Paragraph 68 are directed toward other Defendants, Altria Defendants
20 are without knowledge or information sufficient to form a belief as to the truth of those allegations
21 and, therefore, deny the same.

22 69. To the extent the allegations of Paragraph 69 are directed toward Altria Defendants,
23 Altria Defendants deny the existence of a single Closed-System E-Cigarette market and deny the
24 allegations of Paragraph 69. To the extent the allegations of Paragraph 69 are directed toward other
25 Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as
26 to the truth of those allegations and, therefore, deny the same.

1 70. Paragraph 70 purports to selectively quote, reference, and/or paraphrase certain
2 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
3 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
4 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
5 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
6 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
7 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
8 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
9 remaining allegations of Paragraph 70 to the extent they are directed toward Altria Defendants. To
10 the extent the allegations of Paragraph 70 are directed toward other Defendants, Altria Defendants
11 are without knowledge or information sufficient to form a belief as to the truth of those allegations
12 and, therefore, deny the same.

13 71. Paragraph 71 appears to selectively quote, reference, and/or paraphrase certain
14 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
15 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
16 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
17 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
18 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
19 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
20 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
21 remaining allegations of Paragraph 71 to the extent they are directed toward Altria Defendants. To
22 the extent the allegations of Paragraph 71 are directed toward other Defendants, Altria Defendants
23 are without knowledge or information sufficient to form a belief as to the truth of those allegations
24 and, therefore, deny the same.

25 72. Paragraph 72 purports to selectively quote, reference, and/or paraphrase certain
26 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
27 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in

1 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
2 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
3 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
4 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
5 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
6 remaining allegations of Paragraph 72 to the extent they are directed toward Altria Defendants. To
7 the extent the allegations of Paragraph 72 are directed toward other Defendants, Altria Defendants
8 are without knowledge or information sufficient to form a belief as to the truth of those allegations
9 and, therefore, deny the same.

10 73. To the extent the allegations of Paragraph 73 are directed toward Altria Defendants,
11 Altria Defendants deny the allegations of Paragraph 73. To the extent the allegations of Paragraph
12 73 are directed toward other Defendants, Altria Defendants are without knowledge or information
13 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

14 74. Paragraph 74 appears to selectively quote, reference, and/or paraphrase certain
15 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
16 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
17 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
18 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
19 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
20 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
21 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the existence
22 of a single Closed-System E-Cigarette market and deny the remaining allegations of Paragraph 74
23 to the extent they are directed toward Altria Defendants. To the extent the allegations of Paragraph
24 74 are directed toward other Defendants, Altria Defendants are without knowledge or information
25 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.
26
27

1 **C. JUUL’s and Altria’s 2018 Negotiations and the Resultant Non-Compete**
2 **Agreement**

3 75. Paragraph 75 purports to selectively quote, reference, and/or paraphrase certain
4 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
5 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
6 their entirety, deny Plaintiffs’ characterization of the alleged documents, statements, and/or
7 statistics, deny Plaintiffs’ insinuation and implication regarding the content or meaning of the
8 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
9 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
10 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
11 remaining allegations of Paragraph 75 to the extent they are directed toward Altria Defendants. To
12 the extent the allegations of Paragraph 75 are directed toward other Defendants, Altria Defendants
13 are without knowledge or information sufficient to form a belief as to the truth of those allegations
14 and, therefore, deny the same.

15 76. Paragraph 76 purports to selectively quote, reference, and/or paraphrase certain
16 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
17 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
18 their entirety, deny Plaintiffs’ characterization of the alleged documents, statements, and/or
19 statistics, deny Plaintiffs’ insinuation and implication regarding the content or meaning of the
20 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
21 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
22 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that
23 Howard Willard is a former CEO of Altria Group, that Billy Gifford is a former CFO of Altria
24 Group, and that Willard and Gifford met with Pax investors on November 9, 2017. Altria
25 Defendants deny the remaining allegations of Paragraph 76 to the extent they are directed toward
26 Altria Defendants. To the extent the allegations of Paragraph 76 are directed toward other
27

1 Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as
2 to the truth of those allegations and, therefore, deny the same.

3 77. Altria Defendants admit that on November 21, 2017, Willard and Jon Moore, then
4 Nu Mark's Director of Marketing, had a call with Goldman Sachs, Pax's financial advisor. Altria
5 Defendants deny the remaining allegations of Paragraph 77 to the extent they are directed toward
6 Altria Defendants. To the extent the allegations of Paragraph 77 are directed toward other
7 Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as
8 to the truth of those allegations and, therefore, deny the same.

9 78. To the extent the allegations of Paragraph 78 are directed toward Altria Defendants,
10 Altria Defendants admit that Perella Weinberg Partners served as Altria Group's financial advisor,
11 but deny the remaining allegations of Paragraph 78. To the extent the allegations of Paragraph 78
12 are directed toward other Defendants, Altria is without knowledge or information sufficient to form
13 a belief as to the truth of those allegations and, therefore, denies the same.

14 79. Paragraph 79 purports to selectively quote, reference, and/or paraphrase certain
15 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
16 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
17 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
18 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
19 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
20 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
21 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that on
22 April 13, 2018, Willard sent Burns, Pritzker, and Valani an email, but deny the remaining
23 allegations of Paragraph 79 to the extent they are directed toward Altria Defendants. To the extent
24 the allegations of Paragraph 79 are directed toward other Defendants, Altria Defendants are without
25 knowledge or information sufficient to form a belief as to the truth of those allegations and,
26 therefore, deny the same.

1 80. Paragraph 80 purports to selectively quote, reference, and/or paraphrase certain
2 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
3 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
4 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
5 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
6 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
7 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
8 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that on
9 April 20, 2018, Burns sent Willard a letter, but deny the remaining allegations of Paragraph 80 to
10 the extent they are directed toward Altria Defendants. To the extent the allegations of Paragraph
11 80 are directed toward other Defendants, Altria Defendants are without knowledge or information
12 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

13 81. To the extent the allegations of Paragraph 81 are directed toward Altria Defendants,
14 Altria Defendants deny the allegations of Paragraph 81. To the extent the allegations of Paragraph
15 81 are directed toward other Defendants, Altria Defendants are without knowledge or information
16 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

17 82. Paragraph 82 purports to selectively quote, reference, and/or paraphrase certain
18 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
19 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
20 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
21 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
22 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
23 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
24 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that on July
25 30, 2018, Pritzker sent Willard a draft term sheet, but deny the remaining allegations of Paragraph
26 82 to the extent they are directed toward Altria Defendants. To the extent the allegations of
27 Paragraph 82 are directed toward other Defendants, Altria Defendants are without knowledge or

1 information sufficient to form a belief as to the truth of those allegations and, therefore, deny the
2 same.

3 83. Paragraph 83 purports to selectively quote, reference, and/or paraphrase certain
4 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
5 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
6 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
7 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
8 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
9 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
10 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
11 remaining allegations of Paragraph 83 to the extent they are directed toward Altria Defendants. To
12 the extent the allegations of Paragraph 83 are directed toward other Defendants, Altria Defendants
13 are without knowledge or information sufficient to form a belief as to the truth of those allegations
14 and, therefore, deny the same.

15 84. To the extent the allegations of Paragraph 84 are directed toward Altria Defendants,
16 Altria Defendants admit that Willard and Gifford met with Pritzker, Valani, and Burns on August
17 1, 2018, but deny the remaining allegations of Paragraph 84. To the extent the allegations of
18 Paragraph 84 are directed toward other Defendants, Altria Defendants are without knowledge or
19 information sufficient to form a belief as to the truth of those allegations and, therefore, deny the
20 same.

21 85. Paragraph 85 purports to selectively quote, reference, and/or paraphrase certain
22 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
23 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
24 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
25 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
26 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
27 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged

1 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
2 remaining allegations of Paragraph 85 to the extent they are directed toward Altria Defendants. To
3 the extent the allegations of Paragraph 85 are directed toward other Defendants, Altria Defendants
4 are without knowledge or information sufficient to form a belief as to the truth of those allegations
5 and, therefore, deny the same.

6 86. Paragraph 86 purports to selectively quote, reference, and/or paraphrase certain
7 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
8 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
9 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
10 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
11 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
12 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
13 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that on
14 August 9, 2018, Gifford sent a markup of the term sheet to Pritzker, Valani, and Burns, but deny
15 the remaining allegations of Paragraph 86 to the extent they are directed toward Altria Defendants.
16 To the extent the allegations of Paragraph 86 are directed toward other Defendants, Altria
17 Defendants are without knowledge or information sufficient to form a belief as to the truth of those
18 allegations and, therefore, deny the same.

19 87. Paragraph 87 purports to selectively quote, reference, and/or paraphrase certain
20 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
21 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
22 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
23 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
24 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
25 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
26 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
27 remaining allegations of Paragraph 87 to the extent they are directed toward Altria Defendants. To

1 the extent the allegations of Paragraph 87 are directed toward other Defendants, Altria Defendants
2 are without knowledge or information sufficient to form a belief as to the truth of those allegations
3 and, therefore, deny the same.

4 88. Paragraph 88 purports to selectively quote, reference, and/or paraphrase certain
5 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
6 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
7 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
8 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
9 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
10 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
11 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that Devitre
12 met with Valani on August 15, 2018, but deny the remaining allegations of Paragraph 88 to the
13 extent they are directed toward Altria Defendants. To the extent the allegations of Paragraph 88
14 are directed toward other Defendants, Altria Defendants are without knowledge or information
15 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

16 89. To the extent the allegations of Paragraph 89 are directed toward Altria Defendants,
17 Altria Defendants admit that Garnick is General Counsel for Altria Group and that Garnick engaged
18 in negotiations with JLI in August 2018, but deny the remaining allegations of Paragraph 89 to the
19 extent they are directed toward Altria Defendants. To the extent the allegations of Paragraph 89
20 are directed toward other Defendants, Altria Defendants are without knowledge or information
21 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

22 90. Paragraph 90 purports to selectively quote, reference, and/or paraphrase certain
23 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
24 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
25 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
26 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
27 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of

1 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
2 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that on
3 October 5, 2018, Willard sent a letter to Pritzker, Valani, and Burns, but deny the remaining
4 allegations of Paragraph 90 to the extent they are directed toward Altria Defendants. To the extent
5 the allegations of Paragraph 90 are directed toward other Defendants, Altria Defendants are without
6 knowledge or information sufficient to form a belief as to the truth of those allegations and,
7 therefore, deny the same.

8 91. Paragraph 91 purports to selectively quote, reference, and/or paraphrase certain
9 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
10 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
11 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
12 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
13 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
14 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
15 documents, statements, and/or statistics speak for themselves. Altria Defendants admit upon
16 information and belief that Burns forwarded the October 5 letter with a note to JLI's Chief Legal
17 Officer, but deny the remaining allegations of Paragraph 91 to the extent they are directed toward
18 Altria Defendants. To the extent the allegations of Paragraph 91 are directed toward other
19 Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as
20 to the truth of those allegations and, therefore, deny the same.

21 92. Paragraph 92 purports to selectively quote, reference, and/or paraphrase certain
22 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
23 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
24 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
25 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
26 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
27 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged

1 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that Altria
2 Group sent a letter to FDA on October 25, 2018, but deny the remaining allegations of Paragraph
3 92 to the extent they are directed toward Altria Defendants. To the extent the allegations of
4 Paragraph 92 are directed toward other Defendants, Altria Defendants are without knowledge or
5 information sufficient to form a belief as to the truth of those allegations and, therefore, deny the
6 same.

7 93. Paragraph 93 appears to selectively quote, reference, and/or paraphrase certain
8 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
9 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
10 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
11 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
12 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
13 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
14 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
15 remaining allegations of Paragraph 93 to the extent they are directed toward Altria Defendants. To
16 the extent the allegations of Paragraph 93 are directed toward other Defendants, Altria Defendants
17 are without knowledge or information sufficient to form a belief as to the truth of those allegations
18 and, therefore, deny the same.

19 94. Paragraph 94 purports to selectively quote, reference, and/or paraphrase certain
20 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
21 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
22 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
23 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
24 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
25 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
26 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that on
27 October 29, 2018, Garnick sent an email to Carmine Reale, but deny the remaining allegations of

1 Paragraph 94 to the extent they are directed toward Altria Defendants. To the extent the allegations
2 of Paragraph 94 are directed toward other Defendants, Altria Defendants are without knowledge or
3 information sufficient to form a belief as to the truth of those allegations and, therefore, deny the
4 same.

5 95. Paragraph 95 appears to selectively quote, reference, and/or paraphrase certain
6 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
7 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
8 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
9 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
10 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
11 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
12 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
13 remaining allegations of Paragraph 95 to the extent they are directed toward Altria Defendants. To
14 the extent the allegations of Paragraph 95 are directed toward other Defendants, Altria Defendants
15 are without knowledge or information sufficient to form a belief as to the truth of those allegations
16 and, therefore, deny the same.

17 96. Paragraph 96 appears to selectively quote, reference, and/or paraphrase certain
18 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
19 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
20 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
21 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
22 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
23 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
24 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that Altria
25 Group engaged in due diligence in November 2018, but deny the remaining allegations of
26 Paragraph 96 to the extent they are directed toward Altria Defendants. To the extent the allegations
27 of Paragraph 96 are directed toward other Defendants, Altria Defendants are without knowledge or

1 information sufficient to form a belief as to the truth of those allegations and, therefore, deny the
2 same.

3 97. Paragraph 97 purports to selectively quote, reference, and/or paraphrase certain
4 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
5 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
6 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
7 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
8 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
9 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
10 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that
11 Garnick emailed Willard, Gifford, and Crosthwaite on November 15, 2018, but deny the remaining
12 allegations of Paragraph 97 to the extent they are directed toward Altria Defendants. To the extent
13 the allegations of Paragraph 97 are directed toward other Defendants, Altria Defendants are without
14 knowledge or information sufficient to form a belief as to the truth of those allegations and,
15 therefore, deny the same.

16 98. Paragraph 98 appears to selectively quote, reference, and/or paraphrase certain
17 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
18 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
19 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
20 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
21 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
22 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
23 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that on
24 December 7, 2018, Altria Group announced the decision to discontinue Nu Mark's remaining e-
25 vapor products (as well as Verve, Nu Mark's oral nicotine product), but deny the remaining
26 allegations of Paragraph 98 to the extent they are directed toward Altria Defendants. To the extent
27 the allegations of Paragraph 98 are directed toward other Defendants, Altria Defendants are without

1 knowledge or information sufficient to form a belief as to the truth of those allegations and,
2 therefore, deny the same.

3 99. Paragraph 99 appears to selectively quote, reference, and/or paraphrase certain
4 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
5 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
6 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
7 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
8 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
9 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
10 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that
11 Willard, Garnick, Gifford, and Crosthwaite met in San Francisco in December 2018, but deny the
12 remaining allegations of Paragraph 99 to the extent they are directed toward Altria Defendants. To
13 the extent the allegations of Paragraph 99 are directed toward other Defendants, Altria Defendants
14 are without knowledge or information sufficient to form a belief as to the truth of those allegations
15 and, therefore, deny the same.

16 100. Paragraph 100 purports to selectively quote, reference, and/or paraphrase certain
17 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
18 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
19 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
20 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
21 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
22 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
23 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that on
24 December 9, 2018, Garnick emailed Masoudi; that Altria Group's subsidiary Nu Mark withdrew
25 its pod-based products and non-traditional cig-a-like flavors on October 25, 2018; and that Nu Mark
26 withdrew the remainder of its e-vapor products on December 7, 2018. Altria Defendants deny the
27 existence of a single Closed-System E-Cigarette market and deny the remaining allegations of

1 Paragraph 100 to the extent they are directed toward Altria Defendants. To the extent the
2 allegations of Paragraph 100 are directed toward other Defendants, Altria Defendants are without
3 knowledge or information sufficient to form a belief as to the truth of those allegations and,
4 therefore, deny the same.

5 101. Paragraph 101 purports to selectively quote, reference, and/or paraphrase certain
6 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
7 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
8 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
9 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
10 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
11 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
12 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
13 remaining allegations of Paragraph 101 to the extent they are directed toward Altria Defendants.
14 To the extent the allegations of Paragraph 101 are directed toward other Defendants, Altria
15 Defendants are without knowledge or information sufficient to form a belief as to the truth of those
16 allegations and, therefore, deny the same.

17 102. Paragraph 102 purports to selectively quote, reference, and/or paraphrase certain
18 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
19 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
20 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
21 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
22 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
23 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
24 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that Altria
25 Group's agreements with JLI were executed on December 20, 2018, but deny the remaining
26 allegations of Paragraph 102 to the extent they are directed toward Altria Defendants. To the extent
27 the allegations of Paragraph 102 are directed toward other Defendants, Altria Defendants are

1 without knowledge or information sufficient to form a belief as to the truth of those allegations and,
2 therefore, deny the same.

3 103. Paragraph 103 purports to selectively quote, reference, and/or paraphrase certain
4 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
5 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
6 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
7 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
8 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
9 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
10 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
11 remaining allegations of Paragraph 103 to the extent they are directed toward Altria Defendants.
12 To the extent the allegations of Paragraph 103 are directed toward other Defendants, Altria
13 Defendants are without knowledge or information sufficient to form a belief as to the truth of those
14 allegations and, therefore, deny the same.

15 104. Paragraph 104 purports to selectively quote, reference, and/or paraphrase certain
16 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
17 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
18 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
19 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
20 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
21 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
22 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
23 remaining allegations of Paragraph 104 to the extent they are directed toward Altria Defendants.
24 To the extent the allegations of Paragraph 104 are directed toward other Defendants, Altria
25 Defendants are without knowledge or information sufficient to form a belief as to the truth of those
26 allegations and, therefore, deny the same.

1 105. Paragraph 105 purports to selectively quote, reference, and/or paraphrase certain
2 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
3 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
4 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
5 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
6 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
7 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
8 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
9 remaining allegations of Paragraph 105 to the extent they are directed toward Altria Defendants.
10 To the extent the allegations of Paragraph 105 are directed toward other Defendants, Altria
11 Defendants are without knowledge or information sufficient to form a belief as to the truth of those
12 allegations and, therefore, deny the same.

13 106. Paragraph 106 purports to selectively quote, reference, and/or paraphrase certain
14 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
15 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
16 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
17 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
18 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
19 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
20 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
21 remaining allegations of Paragraph 106 to the extent they are directed toward Altria Defendants.
22 To the extent the allegations of Paragraph 106 are directed toward other Defendants, Altria
23 Defendants are without knowledge or information sufficient to form a belief as to the truth of those
24 allegations and, therefore, deny the same.

25 107. To the extent the allegations of Paragraph 107 are directed toward Altria
26 Defendants, Altria Defendants admit that Altria Group's Relationship Agreement with JLI was
27 amended on January 28, 2020. To the extent the allegations of Paragraph 107 are directed toward

1 other Defendants, Altria Defendants are without knowledge or information sufficient to form a
2 belief as to the truth of those allegations and, therefore, deny the same.

3 108. To the extent the allegations of Paragraph 108 are directed toward Altria
4 Defendants, Altria Defendants deny the existence of a single Closed-System E-Cigarette market
5 and deny the allegations of Paragraph 108. To the extent the allegations of Paragraph 108 are
6 directed toward other Defendants, Altria Defendants are without knowledge or information
7 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

8 109. Paragraph 109 purports to selectively quote, reference, and/or paraphrase certain
9 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
10 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
11 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
12 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
13 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
14 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
15 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
16 remaining allegations of Paragraph 109 to the extent they are directed toward Altria Defendants.
17 To the extent the allegations of Paragraph 109 are directed toward other Defendants, Altria
18 Defendants are without knowledge or information sufficient to form a belief as to the truth of those
19 allegations and, therefore, deny the same.

20 110. Paragraph 110 purports to selectively quote, reference, and/or paraphrase certain
21 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
22 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
23 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
24 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
25 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
26 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
27 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that, on

1 December 20, 2018, Altria purchased, through a wholly owned subsidiary, a 35% minority non-
2 voting interest in JUUL Labs, Inc. for \$12.8 billion. Altria Defendants deny the remaining
3 allegations of Paragraph 110 to the extent they are directed toward Altria Defendants. To the extent
4 the allegations of Paragraph 110 are directed toward other Defendants, Altria Defendants are
5 without knowledge or information sufficient to form a belief as to the truth of those allegations and,
6 therefore, deny the same.

7 111. Paragraph 111 asserts legal conclusions to which no response is required. To the
8 extent a response is required and to the extent the allegations of Paragraph 111 are directed toward
9 Altria Defendants, Altria Defendants admit that JLI and Altria Defendants are separate companies
10 and that no joint venture was created between them, and deny the remaining allegations of
11 Paragraph 111. To the extent the allegations of Paragraph 111 are directed toward other
12 Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as
13 to the truth of those allegations and, therefore, deny the same.

14 **D. JUUL's Regulatory Problems and Altria's Responses**

15 112. The allegations of Paragraph 112 are not directed toward Altria Defendants, and,
16 therefore, no response is required. To the extent a response is required and to the extent the
17 allegations of Paragraph 112 are directed toward Altria Defendants, Paragraph 112 purports to
18 selectively quote, reference, and/or paraphrase certain alleged documents, statements, and/or
19 statistics. Altria Defendants deny that the alleged documents, statements, and/or statistics are
20 quoted, referenced, and/or paraphrased in context or in their entirety, deny Plaintiffs'
21 characterization of the alleged documents, statements, and/or statistics, deny Plaintiffs' insinuation
22 and implication regarding the content or meaning of the alleged documents, statements, and/or
23 statistics, and do not concede the truthfulness or accuracy of the alleged documents, statements,
24 and/or statistics. Altria Defendants state that the alleged documents, statements, and/or statistics
25 speak for themselves. Altria Defendants deny the remaining allegations of Paragraph 112 to the
26 extent they are directed toward Altria Defendants. To the extent the allegations of Paragraph 112
27

1 are directed toward other Defendants, Altria Defendants are without knowledge or information
2 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

3 113. The allegations of Paragraph 113 are not directed toward Altria Defendants, and,
4 therefore, no response is required. To the extent a response is required, Altria Defendants are
5 without knowledge or information sufficient to form a belief as to the truth of those allegations and,
6 therefore, deny the same.

7 114. The allegations of Paragraph 114 are not directed toward Altria Defendants, and,
8 therefore, no response is required. To the extent a response is required and to the extent the
9 allegations of Paragraph 114 are directed toward Altria Defendants, Paragraph 109 purports to
10 selectively quote, reference, and/or paraphrase certain alleged documents, statements, and/or
11 statistics. Altria Defendants deny that the alleged documents, statements, and/or statistics are
12 quoted, referenced, and/or paraphrased in context or in their entirety, deny Plaintiffs'
13 characterization of the alleged documents, statements, and/or statistics, deny Plaintiffs' insinuation
14 and implication regarding the content or meaning of the alleged documents, statements, and/or
15 statistics, and do not concede the truthfulness or accuracy of the alleged documents, statements,
16 and/or statistics. Altria Defendants state that the alleged documents, statements, and/or statistics
17 speak for themselves. Altria Defendants deny the remaining allegations of Paragraph 114 to the
18 extent they are directed toward Altria Defendants. To the extent the allegations of Paragraph 114
19 are directed toward other Defendants, Altria Defendants are without knowledge or information
20 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

21 115. Paragraph 115 purports to selectively quote, reference, and/or paraphrase certain
22 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
23 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
24 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
25 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
26 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
27 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged

1 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that
2 Gottlieb sent a letter to Willard on February 6, 2019, but deny the remaining allegations of
3 Paragraph 115 to the extent they are directed toward Altria Defendants. To the extent the
4 allegations of Paragraph 115 are directed toward other Defendants, Altria Defendants are without
5 knowledge or information sufficient to form a belief as to the truth of those allegations and,
6 therefore, deny the same.

7 116. The allegations of Paragraph 116 are not directed toward Altria Defendants, and,
8 therefore, no response is required. To the extent a response is required, Altria Defendants are
9 without knowledge or information sufficient to form a belief as to the truth of those allegations and,
10 therefore, deny the same.

11 117. Paragraph 117 appears to selectively quote, reference, and/or paraphrase certain
12 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
13 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
14 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
15 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
16 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
17 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
18 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that
19 Crosthwaite was a Senior Vice President of Altria Group and served as its Chief Growth Officer,
20 but deny the remaining allegations of Paragraph 117 to the extent they are directed toward Altria
21 Defendants. To the extent the allegations of Paragraph 117 are directed toward other Defendants,
22 Altria Defendants are without knowledge or information sufficient to form a belief as to the truth
23 of those allegations and, therefore, deny the same.

24 118. To the extent the allegations of Paragraph 118 are directed toward Altria
25 Defendants, Altria Defendants are informed and believe that Murillo became JLI's Chief
26 Regulatory Officer in October 2019. Altria Defendants admit that Murillo previously served as
27 Senior Vice President of Regulatory Affairs at Altria Client Services Inc. and was involved in the

1 e-cigarette business run by Nu Mark LLC, a wholly owned subsidiary of Altria Group. To the
2 extent the allegations of Paragraph 118 are directed toward other Defendants, Altria Defendants
3 are without knowledge or information sufficient to form a belief as to the truth of those allegations
4 and, therefore, deny the same.

5 119. Paragraph 119 purports to selectively quote, reference, and/or paraphrase certain
6 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
7 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
8 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
9 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
10 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
11 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
12 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that the
13 Services Agreement, Voting Agreement, and Relationship Agreement between Altria Group and
14 JUUL Labs, Inc. were amended on January 28, 2020, but deny the remaining allegations of
15 Paragraph 119 to the extent they are directed toward Altria Defendants. To the extent the
16 allegations of Paragraph 119 are directed toward other Defendants, Altria Defendants are without
17 knowledge or information sufficient to form a belief as to the truth of those allegations and,
18 therefore, deny the same.

19 120. Paragraph 120 purports to selectively quote, reference, and/or paraphrase certain
20 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
21 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
22 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
23 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
24 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
25 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
26 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that Altria
27 Group filed an SEC Form 8-K on January 30, 2020, but deny the remaining allegations of Paragraph

1 120 to the extent they are directed toward Altria Defendants. To the extent the allegations of
2 Paragraph 120 are directed toward other Defendants, Altria Defendants are without knowledge or
3 information sufficient to form a belief as to the truth of those allegations and, therefore, deny the
4 same.

5 121. Paragraph 121 purports to selectively quote, reference, and/or paraphrase certain
6 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
7 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
8 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
9 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
10 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
11 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
12 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that on
13 January 2, 2020, FDA adopted a revised enforcement prioritization policy with respect to flavored
14 e-cigarettes, but deny the remaining allegations of Paragraph 121 to the extent they are directed
15 toward Altria Defendants. To the extent the allegations of Paragraph 121 are directed toward other
16 Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as
17 to the truth of those allegations and, therefore, deny the same.

18 122. The allegations of Paragraph 122 are not directed toward Altria Defendants, and,
19 therefore, no response is required. To the extent a response is required, Paragraph 122 appears to
20 selectively quote, reference, and/or paraphrase certain alleged documents, statements, and/or
21 statistics. Altria Defendants deny that the alleged documents, statements, and/or statistics are
22 quoted, referenced, and/or paraphrased in context or in their entirety, deny Plaintiffs'
23 characterization of the alleged documents, statements, and/or statistics, deny Plaintiffs' insinuation
24 and implication regarding the content or meaning of the alleged documents, statements, and/or
25 statistics, and do not concede the truthfulness or accuracy of the alleged documents, statements,
26 and/or statistics. Altria Defendants state that the alleged documents, statements, and/or statistics
27 speak for themselves. Altria Defendants admit that FDA had the statutory power to force all e-

1 cigarettes off the market, but that FDA exercised its discretion not to do so. Altria Defendants deny
2 the remaining allegations of Paragraph 122 to the extent they are directed toward Altria Defendants.
3 To the extent the allegations of Paragraph 122 are directed toward other Defendants, Altria
4 Defendants are without knowledge or information sufficient to form a belief as to the truth of those
5 allegations and, therefore, deny the same.

6 123. The allegations of Paragraph 123 are not directed toward Altria Defendants, and,
7 therefore, no response is required. To the extent a response is required, Paragraph 123 purports to
8 selectively quote, reference, and/or paraphrase certain alleged documents, statements, and/or
9 statistics. Altria Defendants deny that the alleged documents, statements, and/or statistics are
10 quoted, referenced, and/or paraphrased in context or in their entirety, deny Plaintiffs'
11 characterization of the alleged documents, statements, and/or statistics, deny Plaintiffs' insinuation
12 and implication regarding the content or meaning of the alleged documents, statements, and/or
13 statistics, and do not concede the truthfulness or accuracy of the alleged documents, statements,
14 and/or statistics. Altria Defendants state that the alleged documents, statements, and/or statistics
15 speak for themselves. Altria Defendants admit that FDA initially required manufacturers of e-
16 cigarette products already on the U.S. market to submit applications for FDA approval by May 12,
17 2020, but Altria Defendants deny the remaining allegations of Paragraph 123 to the extent they are
18 directed toward Altria Defendants. To the extent the allegations of Paragraph 123 are directed
19 toward other Defendants, Altria Defendants are without knowledge or information sufficient to
20 form a belief as to the truth of those allegations and, therefore, deny the same.

21 124. The allegations of Paragraph 124 are not directed toward Altria Defendants, and,
22 therefore, no response is required. To the extent a response is required, Altria Defendants admit
23 the allegations of Paragraph 124. To the extent the allegations of Paragraph 124 are directed toward
24 other Defendants, Altria Defendants are without knowledge or information sufficient to form a
25 belief as to the truth of those allegations and, therefore, deny the same.

26 125. Paragraph 125 appears to selectively quote, reference, and/or paraphrase certain
27 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged

1 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
2 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
3 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
4 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
5 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
6 documents, statements, and/or statistics speak for themselves. Altria Defendants admit upon
7 information and belief that JUUL Labs, Inc. filed a premarket application for certain flavors of
8 JUUL on July 30, 2020, but deny the remaining allegations of Paragraph 125 to the extent they are
9 directed toward Altria Defendants. To the extent the allegations of Paragraph 125 are directed
10 toward other Defendants, Altria Defendants are without knowledge or information sufficient to
11 form a belief as to the truth of those allegations and, therefore, deny the same.

12 MARKET STRUCTURE

13 Relevant Market

14 126. To the extent the allegations of Paragraph 126 are directed toward Altria
15 Defendants, Altria Defendants deny that the relevant product market for the purposes of the action
16 is Closed-System E-Cigarettes. To the extent the allegations of Paragraph 126 are directed toward
17 other Defendants, Altria Defendants are without knowledge or information sufficient to form a
18 belief as to the truth of those allegations and, therefore, deny the same.

19 127. The allegations of Paragraph 127 are not directed toward Altria Defendants, and,
20 therefore, no response is required. To the extent a response is required, Altria Defendants are
21 informed and believe that e-cigarettes are battery-powered devices that vaporize a liquid solution
22 containing nicotine in the form of an "e-liquid." Altria Defendants further admit that closed-system
23 e-cigarettes generally consist of a device housing a battery and a heating mechanism. Altria
24 Defendants are without knowledge or information sufficient to form a belief as to the truth of the
25 remaining allegations of Paragraph 127 and, therefore, deny the same.

26 128. Paragraph 128 appears to selectively quote, reference, and/or paraphrase certain
27 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged

1 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
2 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
3 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
4 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
5 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
6 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that cig-a-
7 likes and pod-based products are both examples of closed-system e-vapor products. Altria
8 Defendants deny the remaining allegations of Paragraph 128 to the extent they are directed toward
9 Altria Defendants. To the extent the allegations of Paragraph 128 are directed toward other
10 Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as
11 to the truth of those allegations and, therefore, deny the same.

12 129. The allegations of Paragraph 129 are not directed toward Altria Defendants, and,
13 therefore, no response is required. To the extent a response is required, Altria Defendants are
14 without knowledge or information sufficient to form a belief as to the truth of those allegations and,
15 therefore, deny the same.

16 130. The allegations of Paragraph 130 are not directed toward Altria Defendants, and,
17 therefore, no response is required. To the extent a response is required, Altria Defendants are
18 without knowledge or information sufficient to form a belief as to the truth of those allegations and,
19 therefore, deny the same.

20 131. The allegations of Paragraph 131 are not directed toward Altria Defendants, and,
21 therefore, no response is required. To the extent a response is required, Altria Defendants are
22 without knowledge or information sufficient to form a belief as to the truth of those allegations and,
23 therefore, deny the same.

24 132. The allegations of Paragraph 132 are not directed toward Altria Defendants, and,
25 therefore, no response is required. To the extent a response is required, Altria Defendants are
26 without knowledge or information sufficient to form a belief as to the truth of those allegations and,
27 therefore, deny the same.

1 133. The allegations of Paragraph 133 are not directed toward Altria Defendants, and,
2 therefore, no response is required. To the extent a response is required, Altria Defendants are
3 without knowledge or information sufficient to form a belief as to the truth of those allegations and,
4 therefore, deny the same.

5 134. The allegations of Paragraph 134 are not directed toward Altria Defendants, and,
6 therefore, no response is required. To the extent a response is required, Altria Defendants are
7 without knowledge or information sufficient to form a belief as to the truth of those allegations and,
8 therefore, deny the same.

9 135. Paragraph 135 appears to selectively quote, reference, and/or paraphrase certain
10 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
11 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
12 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
13 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
14 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
15 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
16 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
17 remaining allegations of Paragraph 135 to the extent they are directed toward Altria Defendants.
18 To the extent the allegations of Paragraph 135 are directed toward other Defendants, Altria
19 Defendants are without knowledge or information sufficient to form a belief as to the truth of those
20 allegations and, therefore, deny the same.

21 136. Paragraph 136 appears to selectively quote, reference, and/or paraphrase certain
22 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
23 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
24 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
25 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
26 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
27 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged

1 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
2 remaining allegations of Paragraph 136 to the extent they are directed toward Altria Defendants.
3 To the extent the allegations of Paragraph 136 are directed toward other Defendants, Altria
4 Defendants are without knowledge or information sufficient to form a belief as to the truth of those
5 allegations and, therefore, deny the same.

6 137. To the extent the allegations of Paragraph 137 are directed toward Altria
7 Defendants, Altria Defendants deny the existence of a single Closed-System E-Cigarette market
8 and deny the allegations of Paragraph 137. To the extent the allegations of Paragraph 137 are
9 directed toward other Defendants, Altria Defendants are without knowledge or information
10 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

11 138. The allegations of Paragraph 138 are not directed toward Altria Defendants, and,
12 therefore, no response is required. To the extent a response is required, Altria Defendants deny the
13 existence of a single Closed-System E-Cigarette market. Altria Defendants are without knowledge
14 or information sufficient to form a belief as to the truth of the remaining allegations of Paragraph
15 138 and, therefore, deny the same.

16 139. The allegations of Paragraph 139 are not directed toward Altria Defendants, and,
17 therefore, no response is required. To the extent a response is required, Paragraph 139 purports to
18 selectively quote, reference, and/or paraphrase certain alleged documents, statements, and/or
19 statistics. Altria Defendants deny that the alleged documents, statements, and/or statistics are
20 quoted, referenced, and/or paraphrased in context or in their entirety, deny Plaintiffs'
21 characterization of the alleged documents, statements, and/or statistics, deny Plaintiffs' insinuation
22 and implication regarding the content or meaning of the alleged documents, statements, and/or
23 statistics, and do not concede the truthfulness or accuracy of the alleged documents, statements,
24 and/or statistics. Altria Defendants state that the alleged documents, statements, and/or statistics
25 speak for themselves. Altria Defendants deny the remaining allegations of Paragraph 139 to the
26 extent they are directed toward Altria Defendants. To the extent the allegations of Paragraph 139
27

1 are directed toward other Defendants, Altria Defendants are without knowledge or information
2 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

3 140. Paragraph 140 asserts legal conclusions to which no response is required. The
4 allegations of Paragraph 140 are not directed toward Altria Defendants, and, therefore, no response
5 is required. To the extent a response is required, Altria Defendants admit that the relevant
6 geographic market is no broader than the United States and that foreign firms cannot import e-
7 vapor products into the United States without prior FDA approval unless those e-vapor products
8 were on the United States market prior to August 8, 2016. To the extent the allegations of Paragraph
9 140 are directed toward other Defendants, Altria Defendants are without knowledge or information
10 sufficient to form a belief as to the truth of the allegations of Paragraph 140 and, therefore, deny
11 the same

12 **The E-Cigarette Market's High Barriers to Entry**

13 141. The allegations of Paragraph 141 are not directed toward Altria Defendants, and,
14 therefore, no response is required. To the extent a response is required, Altria Defendants admit
15 the allegations of Paragraph 141. To the extent the allegations of Paragraph 141 are directed toward
16 other Defendants, Altria Defendants are without knowledge or information sufficient to form a
17 belief as to the truth of those allegations and, therefore, deny the same.

18 142. The allegations of Paragraph 142 are not directed toward Altria Defendants, and,
19 therefore, no response is required. To the extent a response is required, Altria Defendants admit
20 the allegations of Paragraph 142. To the extent the allegations of Paragraph 142 are directed toward
21 other Defendants, Altria Defendants are without knowledge or information sufficient to form a
22 belief as to the truth of those allegations and, therefore, deny the same.

23 143. The allegations of Paragraph 143 are not directed toward Altria Defendants, and,
24 therefore, no response is required. To the extent a response is required, Altria Defendants admit
25 that preparing a PMTA requires a significant amount of resources, but deny the remaining
26 allegations of Paragraph 143 to the extent they are directed toward Altria Defendants. To the extent
27 the allegations of Paragraph 143 are directed toward other Defendants, Altria Defendants are

1 without knowledge or information sufficient to form a belief as to the truth of those allegations and,
2 therefore, deny the same.

3 144. The allegations of Paragraph 144 are not directed toward Altria Defendants, and,
4 therefore, no response is required. To the extent a response is required, Paragraph 144 appears to
5 selectively quote, reference, and/or paraphrase certain alleged documents, statements, and/or
6 statistics. Altria Defendants deny that the alleged documents, statements, and/or statistics are
7 quoted, referenced, and/or paraphrased in context or in their entirety, deny Plaintiffs'
8 characterization of the alleged documents, statements, and/or statistics, deny Plaintiffs' insinuation
9 and implication regarding the content or meaning of the alleged documents, statements, and/or
10 statistics, and do not concede the truthfulness or accuracy of the alleged documents, statements,
11 and/or statistics. Altria Defendants state that the alleged documents, statements, and/or statistics
12 speak for themselves. Altria Defendants deny the remaining allegations of Paragraph 144 to the
13 extent they are directed toward Altria Defendants. To the extent the allegations of Paragraph 144
14 are directed toward other Defendants, Altria Defendants are without knowledge or information
15 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

16 145. The allegations of Paragraph 145 are not directed toward Altria Defendants, and,
17 therefore, no response is required. To the extent a response is required, Paragraph 145 purports to
18 selectively quote, reference, and/or paraphrase certain alleged documents, statements, and/or
19 statistics. Altria Defendants deny that the alleged documents, statements, and/or statistics are
20 quoted, referenced, and/or paraphrased in context or in their entirety, deny Plaintiffs'
21 characterization of the alleged documents, statements, and/or statistics, deny Plaintiffs' insinuation
22 and implication regarding the content or meaning of the alleged documents, statements, and/or
23 statistics, and do not concede the truthfulness or accuracy of the alleged documents, statements,
24 and/or statistics. Altria Defendants state that the alleged documents, statements, and/or statistics
25 speak for themselves. Altria Defendants deny the remaining allegations of Paragraph 145 to the
26 extent they are directed toward Altria Defendants. To the extent the allegations of Paragraph 145
27

1 are directed toward other Defendants, Altria Defendants are without knowledge or information
2 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

3 146. The allegations of Paragraph 146 are not directed toward Altria Defendants, and,
4 therefore, no response is required. To the extent a response is required, Paragraph 146 appears to
5 selectively quote, reference, and/or paraphrase certain alleged documents, statements, and/or
6 statistics. Altria Defendants deny that the alleged documents, statements, and/or statistics are
7 quoted, referenced, and/or paraphrased in context or in their entirety, deny Plaintiffs'
8 characterization of the alleged documents, statements, and/or statistics, deny Plaintiffs' insinuation
9 and implication regarding the content or meaning of the alleged documents, statements, and/or
10 statistics, and do not concede the truthfulness or accuracy of the alleged documents, statements,
11 and/or statistics. Altria Defendants state that the alleged documents, statements, and/or statistics
12 speak for themselves. Altria Defendants deny the remaining allegations of Paragraph 146 to the
13 extent they are directed toward Altria Defendants. To the extent the allegations of Paragraph 146
14 are directed toward other Defendants, Altria Defendants are without knowledge or information
15 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

16 147. The allegations of Paragraph 147 are not directed toward Altria Defendants, and,
17 therefore, no response is required. To the extent a response is required, Paragraph 147 purports to
18 selectively quote, reference, and/or paraphrase certain alleged documents, statements, and/or
19 statistics. Altria Defendants deny that the alleged documents, statements, and/or statistics are
20 quoted, referenced, and/or paraphrased in context or in their entirety, deny Plaintiffs'
21 characterization of the alleged documents, statements, and/or statistics, deny Plaintiffs' insinuation
22 and implication regarding the content or meaning of the alleged documents, statements, and/or
23 statistics, and do not concede the truthfulness or accuracy of the alleged documents, statements,
24 and/or statistics. Altria Defendants state that the alleged documents, statements, and/or statistics
25 speak for themselves. Altria Defendants admit that on January 2, 2020, FDA adopted a revised
26 enforcement prioritization policy with respect to flavored e-cigarettes, but deny the remaining
27 allegations of Paragraph 147 to the extent they are directed toward Altria Defendants. To the extent

1 the allegations of Paragraph 147 are directed toward other Defendants, Altria Defendants are
2 without knowledge or information sufficient to form a belief as to the truth of those allegations and,
3 therefore, deny the same.

4 148. Paragraph 148 appears to selectively quote, reference, and/or paraphrase certain
5 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
6 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
7 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
8 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
9 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
10 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
11 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
12 remaining allegations of Paragraph 148 to the extent they are directed toward Altria Defendants.
13 To the extent the allegations of Paragraph 148 are directed toward other Defendants, Altria
14 Defendants are without knowledge or information sufficient to form a belief as to the truth of those
15 allegations and, therefore, deny the same.

16 **Market Concentration**

17 149. To the extent the allegations of Paragraph 149 are directed toward Altria
18 Defendants, Altria Defendants deny the allegations of Paragraph 149. To the extent the allegations
19 of Paragraph 149 are directed toward other Defendants, Altria Defendants are without knowledge
20 or information sufficient to form a belief as to the truth of those allegations and, therefore, deny the
21 same.

22 150. Paragraph 150 asserts legal conclusions to which no response is required. To the
23 extent a response is required, Paragraph 150 purports to selectively quote, reference, and/or
24 paraphrase certain alleged documents, statements, and/or statistics. Altria Defendants deny that the
25 alleged documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in
26 context or in their entirety, deny Plaintiffs' characterization of the alleged documents, statements,
27 and/or statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of

1 the alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy
2 of the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
3 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
4 remaining allegations of Paragraph 150 to the extent they are directed toward Altria Defendants.
5 To the extent the allegations of Paragraph 150 are directed toward other Defendants, Altria
6 Defendants are without knowledge or information sufficient to form a belief as to the truth of those
7 allegations and, therefore, deny the same.

8 151. Paragraph 151 asserts legal conclusions to which no response is required. To the
9 extent the allegations of Paragraph 151 are directed toward Altria Defendants, Altria Defendants
10 deny the existence of a single Closed-System E-Cigarette market and deny the allegations of
11 Paragraph 151. To the extent the allegations of Paragraph 151 are directed toward other
12 Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as
13 to the truth of those allegations and, therefore, deny the same.

14 **Monopoly Power**

15 152. The allegations of Paragraph 152 are not directed toward Altria Defendants, and,
16 therefore, no response is required. To the extent a response is required and to the extent the
17 allegations of Paragraph 152 are directed toward Altria Defendants, Altria Defendants deny that
18 this lawsuit is appropriate for class action treatment is appropriate or is manageable as a class action.
19 Altria Defendants deny the remaining allegations of Paragraph 152 to the extent they are directed
20 toward Altria Defendants. To the extent the allegations of Paragraph 152 are directed toward other
21 Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as
22 to the truth of those allegations and, therefore, deny the same.

23 153. Paragraph 153 purports to selectively quote, reference, and/or paraphrase certain
24 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
25 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
26 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
27 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the

1 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
2 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
3 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
4 remaining allegations of Paragraph 153 to the extent they are directed toward Altria Defendants.
5 To the extent the allegations of Paragraph 153 are directed toward other Defendants, Altria
6 Defendants are without knowledge or information sufficient to form a belief as to the truth of those
7 allegations and, therefore, deny the same.

8 154. Paragraph 154 appears to selectively quote, reference, and/or paraphrase certain
9 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
10 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
11 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
12 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
13 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
14 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
15 documents, statements, and/or statistics speak for themselves. Altria Defendants admit that Altria
16 Group's subsidiary Nu Mark began pulling products off the market in October 2018, but deny the
17 remaining allegations of Paragraph 154 to the extent they are directed toward Altria Defendants.
18 To the extent the allegations of Paragraph 154 are directed toward other Defendants, Altria
19 Defendants are without knowledge or information sufficient to form a belief as to the truth of those
20 allegations and, therefore, deny the same.

21 155. To the extent the allegations of Paragraph 155 are directed toward Altria
22 Defendants, Altria Defendants admit that Altria Group's subsidiary Nu Mark pulled its remaining
23 e-vapor products (as well as Verve, Nu Mark's oral nicotine product) in December 2018. To the
24 extent the allegations of Paragraph 155 are directed toward other Defendants, Altria Defendants
25 are without knowledge or information sufficient to form a belief as to the truth of those allegations
26 and, therefore, deny the same.

1 161. To the extent the allegations of Paragraph 161 are directed toward Altria
2 Defendants, Altria Defendants deny the existence of a single Closed-System E-Cigarette market
3 and deny the allegations of Paragraph 161. To the extent the allegations of Paragraph 161 are
4 directed toward other Defendants, Altria Defendants are without knowledge or information
5 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

6 162. Paragraph 162 appears to selectively quote, reference, and/or paraphrase certain
7 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
8 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
9 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
10 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
11 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
12 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
13 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
14 remaining allegations of Paragraph 162 to the extent they are directed toward Altria Defendants.
15 To the extent the allegations of Paragraph 162 are directed toward other Defendants, Altria
16 Defendants are without knowledge or information sufficient to form a belief as to the truth of those
17 allegations and, therefore, deny the same.

18 163. Paragraph 163 appears to selectively quote, reference, and/or paraphrase certain
19 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
20 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
21 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
22 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
23 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
24 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
25 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
26 remaining allegations of Paragraph 163 to the extent they are directed toward Altria Defendants.
27 To the extent the allegations of Paragraph 163 are directed toward other Defendants, Altria

1 Defendants are without knowledge or information sufficient to form a belief as to the truth of those
2 allegations and, therefore, deny the same.

3 164. Paragraph 164 purports to selectively quote, reference, and/or paraphrase certain
4 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
5 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in
6 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
7 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
8 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
9 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
10 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
11 remaining allegations of Paragraph 164 to the extent they are directed toward Altria Defendants.
12 To the extent the allegations of Paragraph 164 are directed toward other Defendants, Altria
13 Defendants are without knowledge or information sufficient to form a belief as to the truth of those
14 allegations and, therefore, deny the same.

15 165. To the extent the allegations of Paragraph 165 are directed toward Altria
16 Defendants, Altria Defendants deny the allegations of Paragraph 165. To the extent the allegations
17 of Paragraph 165 are directed toward other Defendants, Altria Defendants are without knowledge
18 or information sufficient to form a belief as to the truth of those allegations and, therefore, deny the
19 same.

20 166. To the extent the allegations of Paragraph 166 are directed toward Altria
21 Defendants, Altria Defendants deny the allegations of Paragraph 166. To the extent the allegations
22 of Paragraph 166 are directed toward other Defendants, Altria Defendants are without knowledge
23 or information sufficient to form a belief as to the truth of those allegations and, therefore, deny the
24 same.

25 167. Paragraph 167 appears to selectively quote, reference, and/or paraphrase certain
26 alleged documents, statements, and/or statistics. Altria Defendants deny that the alleged
27 documents, statements, and/or statistics are quoted, referenced, and/or paraphrased in context or in

1 their entirety, deny Plaintiffs' characterization of the alleged documents, statements, and/or
2 statistics, deny Plaintiffs' insinuation and implication regarding the content or meaning of the
3 alleged documents, statements, and/or statistics, and do not concede the truthfulness or accuracy of
4 the alleged documents, statements, and/or statistics. Altria Defendants state that the alleged
5 documents, statements, and/or statistics speak for themselves. Altria Defendants deny the
6 remaining allegations of Paragraph 167 to the extent they are directed toward Altria Defendants.
7 To the extent the allegations of Paragraph 167 are directed toward other Defendants, Altria
8 Defendants are without knowledge or information sufficient to form a belief as to the truth of those
9 allegations and, therefore, deny the same.

10 168. To the extent the allegations of Paragraph 168 are directed toward Altria
11 Defendants, Altria Defendants deny the existence of a single Closed-System E-Cigarette market
12 and deny the allegations of Paragraph 168. To the extent the allegations of Paragraph 168 are
13 directed toward other Defendants, Altria Defendants are without knowledge or information
14 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

15 169. Paragraph 169 asserts legal conclusions to which no response is required. To the
16 extent the allegations of Paragraph 169 are directed toward Altria Defendants, Altria Defendants
17 deny the allegations of Paragraph 169. To the extent the allegations of Paragraph 169 are directed
18 toward other Defendants, Altria Defendants are without knowledge or information sufficient to
19 form a belief as to the truth of those allegations and, therefore, deny the same.

20 170. Paragraph 170 asserts legal conclusions to which no response is required. To the
21 extent a response is required and to the extent the allegations of Paragraph 170 are directed toward
22 Altria Defendants, Altria Defendants deny the allegations of Paragraph 170. To the extent the
23 allegations of Paragraph 170 are directed toward other Defendants, Altria Defendants are without
24 knowledge or information sufficient to form a belief as to the truth of those allegations and,
25 therefore, deny the same.

26 171. Paragraph 171 asserts legal conclusions to which no response is required. To the
27 extent a response is required and to the extent the allegations of Paragraph 171 are directed toward

1 Altria Defendants, Altria Defendants deny the existence of a single Closed-System E-Cigarette
2 market and deny the allegations of Paragraph 171. To the extent the allegations of Paragraph 171
3 are directed toward other Defendants, Altria Defendants are without knowledge or information
4 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

5 **CLASS ACTION ALLEGATIONS**

6 172. Altria Defendants admit that Plaintiffs purport to bring this suit as a class action on
7 behalf of themselves and others, but deny that Plaintiffs are entitled to the relief requested in this
8 Complaint or any relief whatsoever. Altria Defendants deny that this lawsuit is appropriate for
9 class action treatment or is manageable as a class action.

10 173. Altria Defendants admit that Plaintiffs purport to bring this suit as a class action on
11 behalf of themselves and others, but deny that Plaintiffs are entitled to the relief requested in this
12 Complaint or any relief whatsoever. Altria Defendants deny that this lawsuit is appropriate for
13 class action treatment or is manageable as a class action.

14 174. Altria Defendants admit that Plaintiffs purport to bring this suit as a class action on
15 behalf of themselves and others, but deny that Plaintiffs are entitled to the relief requested in this
16 Complaint or any relief whatsoever. Altria Defendants deny that this lawsuit is appropriate for
17 class action treatment or is manageable as a class action.

18 175. Altria Defendants admit that Plaintiffs purport to bring this suit as a class action on
19 behalf of themselves and others, but deny that Plaintiffs are entitled to the relief requested in this
20 Complaint or any relief whatsoever. Altria Defendants deny that this lawsuit is appropriate for
21 class action treatment or is manageable as a class action.

22 176. Paragraph 176 asserts legal conclusions to which no response is required. To the
23 extent a response is required, Altria Defendants deny that this lawsuit is appropriate for class action
24 treatment or is manageable as a class action. Altria Defendants deny the remaining allegations of
25 Paragraph 176 to the extent they are directed toward Altria Defendants. To the extent the
26 allegations of Paragraph 176 are directed toward other Defendants, Altria Defendants are without
27

1 knowledge or information sufficient to form a belief as to the truth of those allegations and,
2 therefore, deny the same.

3 177. Paragraph 177 asserts legal conclusions to which no response is required. To the
4 extent a response is required, Altria Defendants deny that this lawsuit is appropriate for class action
5 treatment or is manageable as a class action. Altria Defendants are without knowledge or
6 information sufficient to form a belief as to the truth of the remaining allegations of Paragraph 177
7 and, therefore, deny the same.

8 178. Paragraph 178 asserts legal conclusions to which no response is required. To the
9 extent a response is required, Altria Defendants are without knowledge or information sufficient to
10 form a belief as to the truth of the allegations of Paragraph 178 and, therefore, deny the same.

11 179. Paragraph 179 asserts legal conclusions to which no response is required. To the
12 extent a response is required and to the extent the allegations of Paragraph 179 are directed toward
13 Altria Defendants, Altria Defendants deny that this lawsuit is appropriate for class action treatment
14 or is manageable as a class action. Altria Defendants deny the remaining allegations of Paragraph
15 179 to the extent they are directed toward Altria Defendants. To the extent the allegations of
16 Paragraph 179 are directed toward other Defendants, Altria Defendants are without knowledge or
17 information sufficient to form a belief as to the truth of the allegations of Paragraph 179 and,
18 therefore, deny the same.

19 180. Paragraph 180 asserts legal conclusions to which no response is required. To extent
20 a response is required and to the extent the allegations of Paragraph 180 are directed toward Altria
21 Defendants, Altria Defendants deny that this lawsuit is appropriate for class action treatment or is
22 manageable as a class action. Altria Defendants deny the existence of a single Closed-System E-
23 Cigarette market and deny the remaining allegations of Paragraph 180 to the extent they are directed
24 toward Altria Defendants. To the extent the allegations of Paragraph 180 are directed toward other
25 Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as
26 to the truth of the allegations of Paragraph 180 and, therefore, deny the same.

1 181. Paragraph 181 asserts legal conclusions to which no response is required. To the
2 extent a response is required and to the extent the allegations of Paragraph 181 are directed toward
3 Altria Defendants, Altria Defendants deny that this lawsuit is appropriate for class action treatment
4 or is manageable as a class action. Altria Defendants deny the remaining allegations of Paragraph
5 181 to the extent they are directed toward Altria Defendants. To the extent the allegations of
6 Paragraph 181 are directed toward other Defendants, Altria Defendants are without knowledge or
7 information sufficient to form a belief as to the truth of the allegations of Paragraph 181 and,
8 therefore, deny the same.

9 182. Paragraph 182 asserts legal conclusions to which no response is required. To the
10 extent a response is required, Altria Defendants deny that this lawsuit is appropriate for class action
11 treatment or is manageable as a class action.

12 **CLAIMS FOR RELIEF**

13 **FIRST CLAIM FOR RELIEF**

14 **Violation of Sections 1 and 3 of the Sherman Act, 15, U.S.C. §§ 1, 3**

15 **(On Behalf of the Nationwide Class for Injunctive Relief)**

16 183. No response is required to Paragraph 183 because it does not contain any allegations.

17 184. Paragraph 184 asserts legal conclusions to which no response is required. To the
18 extent a response is required and to the extent the allegations of Paragraph 184 are directed toward
19 Altria Defendants, Altria Defendants deny the allegations of Paragraph 184. To the extent the
20 allegations of Paragraph 184 are directed toward other Defendants, Altria Defendants are without
21 knowledge or information sufficient to form a belief as to the truth of those allegations and,
22 therefore, deny the same.

23 185. Paragraph 185 asserts legal conclusions to which no response is required. To the
24 extent a response is required and to the extent the allegations of Paragraph 185 are directed toward
25 Altria Defendants, Altria Defendants deny the existence of a single Closed-System E-Cigarette
26 market and deny the allegations of Paragraph 185. To the extent the allegations of Paragraph 185
27 are directed toward other Defendants, Altria Defendants are without knowledge or information
28 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

1 186. Paragraph 186 asserts legal conclusions to which no response is required. To the
2 extent a response is required and to the extent the allegations of Paragraph 186 are directed toward
3 Altria Defendants, Altria Defendants deny the allegations of Paragraph 186. To the extent the
4 allegations of Paragraph 186 are directed toward other Defendants, Altria Defendants are without
5 knowledge or information sufficient to form a belief as to the truth of those allegations and,
6 therefore, deny the same.

7 187. Paragraph 187 asserts legal conclusions to which no response is required. To the
8 extent a response is required and to the extent the allegations of Paragraph 187 are directed toward
9 Altria Defendants, Altria Defendants deny the allegations of Paragraph 187. To the extent the
10 allegations of Paragraph 187 are directed toward other Defendants, Altria Defendants are without
11 knowledge or information sufficient to form a belief as to the truth of those allegations and,
12 therefore, deny the same.

13 188. Paragraph 188 asserts legal conclusions to which no response is required. To the
14 extent a response is required and to the extent the allegations of Paragraph 188 are directed toward
15 Altria Defendants, Altria Defendants deny the existence of a single Closed-System E-Cigarette
16 market and deny the allegations of Paragraph 188. To the extent the allegations of Paragraph 188
17 are directed toward other Defendants, Altria Defendants are without knowledge or information
18 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

19 189. Paragraph 189 asserts legal conclusions to which no response is required. To the
20 extent a response is required and to the extent the allegations of Paragraph 189 are directed toward
21 Altria Defendants, Altria Defendants deny the allegations of Paragraph 189. To the extent the
22 allegations of Paragraph 189 are directed toward other Defendants, Altria Defendants are without
23 knowledge or information sufficient to form a belief as to the truth of those allegations and,
24 therefore, deny the same.

25 190. Paragraph 190 asserts legal conclusions to which no response is required. To the
26 extent a response is required and to the extent the allegations of Paragraph 190 are directed toward
27 Altria Defendants, Altria Defendants deny the allegations of Paragraph 190. To the extent the

1 allegations of Paragraph 190 are directed toward other Defendants, Altria Defendants are without
2 knowledge or information sufficient to form a belief as to the truth of those allegations and,
3 therefore, deny the same.

4 **SECOND CLAIM FOR RELIEF**
5 **Violation of Section 2 of the Sherman Act - Monopolization,**
6 **15 U.S.C. § 2, Against JUUL**
7 **(On Behalf of the Nationwide Class for Injunctive Relief)**

8 191. No response is required to Paragraph 191 because it does not contain any allegations.

9 192. Paragraph 192 asserts legal conclusions to which no response is required. To the
10 extent a response is required and to the extent the allegations of Paragraph 192 are directed toward
11 Altria Defendants, Altria Defendants deny the existence of a single Closed-System E-Cigarette
12 market and deny the allegations of Paragraph 192. To the extent the allegations of Paragraph 192
13 are directed toward other Defendants, Altria Defendants are without knowledge or information
14 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

15 193. Paragraph 193 asserts legal conclusions to which no response is required. To the
16 extent a response is required and to the extent the allegations of Paragraph 193 are directed toward
17 Altria Defendants, Altria Defendants deny the existence of a single Closed-System E-Cigarette
18 market and deny the allegations of Paragraph 193. To the extent the allegations of Paragraph 193
19 are directed toward other Defendants, Altria Defendants are without knowledge or information
20 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

21 194. Paragraph 194 asserts legal conclusions to which no response is required. To the
22 extent a response is required and to the extent the allegations of Paragraph 194 are directed toward
23 Altria Defendants, Altria Defendants deny the allegations of Paragraph 194. To the extent the
24 allegations of Paragraph 194 are directed toward other Defendants, Altria Defendants are without
25 knowledge or information sufficient to form a belief as to the truth of those allegations and,
26 therefore, deny the same.

27 195. Paragraph 195 asserts legal conclusions to which no response is required. To the
28 extent a response is required and to the extent the allegations of Paragraph 195 are directed toward

1 Altria Defendants, Altria Defendants deny the allegations of Paragraph 195. To the extent the
2 allegations of Paragraph 195 are directed toward other Defendants, Altria Defendants are without
3 knowledge or information sufficient to form a belief as to the truth of those allegations and,
4 therefore, deny the same.

5 196. Paragraph 196 asserts legal conclusions to which no response is required. To the
6 extent a response is required and to the extent the allegations of Paragraph 196 are directed toward
7 Altria Defendants, Altria Defendants deny the allegations of Paragraph 196. To the extent the
8 allegations of Paragraph 196 are directed toward other Defendants, Altria Defendants are without
9 knowledge or information sufficient to form a belief as to the truth of those allegations and,
10 therefore, deny the same.

11 **THIRD CLAIM FOR RELIEF**

12 **Violation of Section 2 of the Sherman Act – Attempted Monopolization,**
13 **15 U.S.C. § 2, Against JUUL**
14 **(On Behalf of the Nationwide Class for Injunctive Relief)**

15 197. No response is required to Paragraph 197 because it does not contain any allegations.

16 198. Paragraph 198 asserts legal conclusions to which no response is required. To the
17 extent a response is required and to the extent the allegations of Paragraph 198 are directed toward
18 Altria Defendants, Altria Defendants deny the existence of a single Closed-System E-Cigarette
19 market and deny the allegations of Paragraph 198. To the extent the allegations of Paragraph 198
20 are directed toward other Defendants, Altria Defendants are without knowledge or information
21 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

22 199. Paragraph 199 asserts legal conclusions to which no response is required. To the
23 extent a response is required and to the extent the allegations of Paragraph 199 are directed toward
24 Altria Defendants, Altria Defendants deny the existence of a single Closed-System E-Cigarette
25 market and deny the allegations of Paragraph 199. To the extent the allegations of Paragraph 199
26 are directed toward other Defendants, Altria Defendants are without knowledge or information
27 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

1 are directed toward other Defendants, Altria Defendants are without knowledge or information
2 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

3 205. Paragraph 205 asserts legal conclusions to which no response is required. To the
4 extent a response is required and to the extent the allegations of Paragraph 205 are directed toward
5 Altria Defendants, Altria Defendants deny the allegations of Paragraph 205. To the extent the
6 allegations of Paragraph 205 are directed toward other Defendants, Altria Defendants are without
7 knowledge or information sufficient to form a belief as to the truth of those allegations and,
8 therefore, deny the same.

9 206. Paragraph 206 asserts legal conclusions to which no response is required. To the
10 extent a response is required and to the extent the allegations of Paragraph 206 are directed toward
11 Altria Defendants, Altria Defendants deny the allegations of Paragraph 206. To the extent the
12 allegations of Paragraph 206 are directed toward other Defendants, Altria Defendants are without
13 knowledge or information sufficient to form a belief as to the truth of those allegations and,
14 therefore, deny the same.

15 207. Paragraph 207 asserts legal conclusions to which no response is required. To the
16 extent a response is required and to the extent the allegations of Paragraph 207 are directed toward
17 Altria Defendants, Altria Defendants deny the allegations of Paragraph 207. To the extent the
18 allegations of Paragraph 207 are directed toward other Defendants, Altria Defendants are without
19 knowledge or information sufficient to form a belief as to the truth of those allegations and,
20 therefore, deny the same.

21 208. Paragraph 208 asserts legal conclusions to which no response is required. To the
22 extent a response is required and to the extent the allegations of Paragraph 208 are directed toward
23 Altria Defendants, Altria Defendants deny the allegations of Paragraph 208. To the extent the
24 allegations of Paragraph 208 are directed toward other Defendants, Altria Defendants are without
25 knowledge or information sufficient to form a belief as to the truth of those allegations and,
26 therefore, deny the same.

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FIFTH CLAIM FOR RELIEF
Violation of Section 7 of the Clayton Act,
15 U.S.C. § 18
(On Behalf of the Nationwide Class for Injunctive Relief)

209. No response is required to Paragraph 209 because it does not contain any allegations.

210. Paragraph 210 asserts legal conclusions to which no response is required. To the extent the allegations of Paragraph 210 are directed toward Altria Defendants, Altria Defendants deny the existence of a single Closed-System E-Cigarette market and deny the allegations of Paragraph 210. To the extent the allegations of Paragraph 210 are directed toward other Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

211. Paragraph 211 asserts legal conclusions to which no response is required. To the extent a response is required and to the extent the allegations of Paragraph 211 are directed toward Altria Defendants, Altria Defendants deny the allegations of Paragraph 211. To the extent the allegations of Paragraph 211 are directed toward other Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

SIXTH CLAIM FOR RELIEF
Violation of California’s Cartwright Act,
Cal. Bus. & Prof. Code § 16700, *et seq.*
(On Behalf of the Nationwide Class for Damages)

212. No response is required to Paragraph 212 because it does not contain any allegations.

213. Paragraph 213 asserts legal conclusions to which no response is required. To the extent a response is required and to the extent the allegations of Paragraph 213 are directed toward Altria Defendants, Altria Defendants deny the allegations of Paragraph 213. To the extent the allegations of Paragraph 213 are directed toward other Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

1 214. Paragraph 214 asserts legal conclusions to which no response is required. To the
2 extent a response is required and to the extent the allegations of Paragraph 214 are directed toward
3 Altria Defendants, Altria Defendants deny the allegations of Paragraph 214. To the extent the
4 allegations of Paragraph 214 are directed toward other Defendants, Altria Defendants are without
5 knowledge or information sufficient to form a belief as to the truth of those allegations and,
6 therefore, deny the same.

7 215. Paragraph 215 asserts legal conclusions to which no response is required. To the
8 extent a response is required and to the extent the allegations of Paragraph 215 are directed toward
9 Altria Defendants, Altria Defendants deny the allegations of Paragraph 215. To the extent the
10 allegations of Paragraph 215 are directed toward other Defendants, Altria Defendants are without
11 knowledge or information sufficient to form a belief as to the truth of those allegations and,
12 therefore, deny the same.

13 216. Paragraph 216 asserts legal conclusions to which no response is required. To the
14 extent a response is required and to the extent the allegations of Paragraph 216 are directed toward
15 Altria Defendants, Altria Defendants deny the allegations of Paragraph 216. To the extent the
16 allegations of Paragraph 216 are directed toward other Defendants, Altria Defendants are without
17 knowledge or information sufficient to form a belief as to the truth of those allegations and,
18 therefore, deny the same.

19 217. Paragraph 217 asserts legal conclusions to which no response is required. To the
20 extent a response is required and to the extent the allegations of Paragraph 217 are directed toward
21 Altria Defendants, Altria Defendants deny the existence of a single Closed-System E-Cigarette
22 market and deny the allegations of Paragraph 217. To the extent the allegations of Paragraph 217
23 are directed toward other Defendants, Altria Defendants are without knowledge or information
24 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

25 218. Paragraph 218 asserts legal conclusions to which no response is required. To the
26 extent a response is required and to the extent the allegations of Paragraph 218 are directed toward
27 Altria Defendants, Altria Defendants deny the allegations of Paragraph 218 to the extent they are

1 directed toward Altria Defendants. To the extent the allegations of Paragraph 218 are directed
2 toward other Defendants, Altria Defendants are without knowledge or information sufficient to
3 form a belief as to the truth of those allegations and, therefore, deny the same.

4 219. Paragraph 219 asserts legal conclusions to which no response is required. To the
5 extent a response is required and to the extent the allegations of Paragraph 219 are directed toward
6 Altria Defendants, Altria Defendants deny the allegations of Paragraph 219. To the extent the
7 allegations of Paragraph 219 are directed toward other Defendants, Altria Defendants are without
8 knowledge or information sufficient to form a belief as to the truth of those allegations and,
9 therefore, deny the same.

10 220. Paragraph 220 asserts legal conclusions to which no response is required. To the
11 extent a response is required and to the extent the allegations of Paragraph 220 are directed toward
12 Altria Defendants, Altria Defendants deny the allegations of Paragraph 220. To the extent the
13 allegations of Paragraph 220 are directed toward other Defendants, Altria Defendants are without
14 knowledge or information sufficient to form a belief as to the truth of those allegations and,
15 therefore, deny the same.

16 221. Paragraph 221 asserts legal conclusions to which no response is required. To the
17 extent a response is required and to the extent the allegations of Paragraph 221 are directed toward
18 Altria Defendants, Altria Defendants deny the allegations of Paragraph 221. To the extent the
19 allegations of Paragraph 221 are directed toward other Defendants, Altria Defendants are without
20 knowledge or information sufficient to form a belief as to the truth of those allegations and,
21 therefore, deny the same.

22 222. The allegations of Paragraph 222 are not directed toward Altria Defendants, and,
23 therefore, no response is required. To the extent a response is required and upon information and
24 belief, Altria Defendants deny that JUUL Labs, Inc.'s principal place of business is in San
25 Francisco, California.

26 223. The allegations of Paragraph 223 are not directed toward Altria Defendants, and,
27 therefore, no response is required. To the extent a response is required, Altria Defendants are

1 without knowledge or information sufficient to form a belief as to the truth of those allegations and,
2 therefore, deny the same.

3 224. The allegations of Paragraph 224 are not directed toward Altria Defendants, and,
4 therefore, no response is required. To the extent a response is required, Altria Defendants are
5 without knowledge or information sufficient to form a belief as to the truth of those allegations and,
6 therefore, deny the same.

7 225. The allegations of Paragraph 225 are not directed toward Altria Defendants, and,
8 therefore, no response is required. To the extent a response is required, Altria Defendants are
9 without knowledge or information sufficient to form a belief as to the truth of those allegations and,
10 therefore, deny the same.

11 226. To the extent the allegations of Paragraph 226 are directed toward Altria
12 Defendants, Altria Defendants admit that JLI and Altria conducted due diligence meetings leading
13 up to the Transaction. To the extent the allegations of Paragraph 226 are directed toward other
14 Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as
15 to the truth of those allegations and, therefore, deny the same.

16 227. To the extent the allegations of Paragraph 227 are directed toward Altria
17 Defendants, Altria Defendants deny the allegations of Paragraph 227. To the extent the allegations
18 of Paragraph 227 are directed toward other Defendants, Altria Defendants are without knowledge
19 or information sufficient to form a belief as to the truth of those allegations and, therefore, deny the
20 same.

21 228. To the extent the allegations of Paragraph 228 are directed toward Altria
22 Defendants, Altria Defendants deny the allegations of Paragraph 228. To the extent the allegations
23 of Paragraph 228 are directed toward other Defendants, Altria Defendants are without knowledge
24 or information sufficient to form a belief as to the truth of those allegations and, therefore, deny the
25 same.

26 229. Paragraph 229 asserts legal conclusions to which no response is required. To the
27 extent the allegations of Paragraph 229 are directed toward Altria Defendants, Altria Defendants

1 deny the allegations of Paragraph 229. To the extent the allegations of Paragraph 229 are directed
2 toward other Defendants, Altria Defendants are without knowledge or information sufficient to
3 form a belief as to the truth of those allegations and, therefore, deny the same.

4 230. Paragraph 230 asserts legal conclusions to which no response is required. To the
5 extent a response is required and to the extent the allegations of Paragraph 230 are directed toward
6 Altria Defendants, Altria Defendants deny the allegations of Paragraph 230. To the extent the
7 allegations of Paragraph 230 are directed toward other Defendants, Altria Defendants are without
8 knowledge or information sufficient to form a belief as to the truth of those allegations and,
9 therefore, deny the same.

10 **SEVENTH CLAIM FOR RELIEF**
11 **Violation of California's Cartwright Act,**
12 **Cal. Bus. & Prof. Code § 16700, *et seq.***
13 **(On Behalf of the Cartwright Act Class for Damages)**

14 231. No response is required to Paragraph 231 because it does not contain any allegations.

15 232. Paragraph 232 asserts legal conclusions to which no response is required. To the
16 extent a response is required and to the extent the allegations of Paragraph 232 are directed toward
17 Altria Defendants, Altria Defendants deny the allegations of Paragraph 232. To the extent the
18 allegations of Paragraph 232 are directed toward other Defendants, Altria Defendants are without
19 knowledge or information sufficient to form a belief as to the truth of those allegations and,
20 therefore, deny the same.

21 233. Paragraph 233 asserts legal conclusions to which no response is required. To the
22 extent a response is required and to the extent the allegations of Paragraph 233 are directed toward
23 Altria Defendants, Altria Defendants deny the allegations of Paragraph 233. To the extent the
24 allegations of Paragraph 233 are directed toward other Defendants, Altria Defendants are without
25 knowledge or information sufficient to form a belief as to the truth of those allegations and,
26 therefore, deny the same.

27 234. Paragraph 234 asserts legal conclusions to which no response is required. To the
28 extent a response is required and to the extent the allegations of Paragraph 234 are directed toward

1 Altria Defendants, Altria Defendants deny the allegations of Paragraph 234. To the extent the
2 allegations of Paragraph 234 are directed toward other Defendants, Altria Defendants are without
3 knowledge or information sufficient to form a belief as to the truth of those allegations and,
4 therefore, deny the same.

5 235. Paragraph 235 asserts legal conclusions to which no response is required. To the
6 extent a response is required and to the extent the allegations of Paragraph 235 are directed toward
7 Altria Defendants, Altria Defendants deny the allegations of Paragraph 235. To the extent the
8 allegations of Paragraph 235 are directed toward other Defendants, Altria Defendants are without
9 knowledge or information sufficient to form a belief as to the truth of those allegations and,
10 therefore, deny the same.

11 236. Paragraph 236 asserts legal conclusions to which no response is required. To the
12 extent a response is required and to the extent the allegations of Paragraph 236 are directed toward
13 Altria Defendants, Altria Defendants deny the existence of a single Closed-System E-Cigarette
14 market and deny the allegations of Paragraph 236. To the extent the allegations of Paragraph 236
15 are directed toward other Defendants, Altria Defendants are without knowledge or information
16 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

17 237. Paragraph 237 asserts legal conclusions to which no response is required. To the
18 extent a response is required, Altria Defendants deny the allegations of Paragraph 237 to the extent
19 they are directed toward Altria Defendants. To the extent the allegations of Paragraph 237 are
20 directed toward other Defendants, Altria Defendants are without knowledge or information
21 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

22 238. Paragraph 238 asserts legal conclusions to which no response is required. To the
23 extent a response is required and to the extent the allegations of Paragraph 238 are directed toward
24 Altria Defendants, Altria Defendants deny the allegations of Paragraph 238. To the extent the
25 allegations of Paragraph 238 are directed toward other Defendants, Altria Defendants are without
26 knowledge or information sufficient to form a belief as to the truth of those allegations and,
27 therefore, deny the same.

1 239. Paragraph 239 asserts legal conclusions to which no response is required. To the
2 extent a response is required and to the extent the allegations of Paragraph 239 are directed toward
3 Altria Defendants, Altria Defendants deny those allegations and deny that Plaintiffs are entitled to
4 the relief requested in this Complaint or any relief whatsoever. To the extent the allegations of
5 Paragraph 239 are directed toward other Defendants, Altria Defendants are without knowledge or
6 information sufficient to form a belief as to the truth of those allegations and, therefore, deny the
7 same.

8 240. Paragraph 240 asserts legal conclusions to which no response is required. To the
9 extent a response is required and to the extent the allegations of Paragraph 240 are directed toward
10 Altria Defendants, Altria Defendants deny the allegations of Paragraph 240. To the extent the
11 allegations of Paragraph 240 are directed toward other Defendants, Altria Defendants are without
12 knowledge or information sufficient to form a belief as to the truth of those allegations and,
13 therefore, deny the same.

14 241. The allegations of Paragraph 241 are not directed toward Altria Defendants, and,
15 therefore, no response is required. To the extent a response is required and upon information and
16 belief, Altria Defendants deny that JUUL Labs, Inc.'s principal place of business is in San
17 Francisco, California.

18 242. The allegations of Paragraph 242 are not directed toward Altria Defendants, and,
19 therefore, no response is required. To the extent a response is required, Altria Defendants are
20 without knowledge or information sufficient to form a belief as to the truth of those allegations and,
21 therefore, deny the same.

22 243. The allegations of Paragraph 243 are not directed toward Altria Defendants, and,
23 therefore, no response is required. To the extent a response is required, Altria Defendants are
24 without knowledge or information sufficient to form a belief as to the truth of those allegations and,
25 therefore, deny the same.

26 244. The allegations of Paragraph 244 are not directed toward Altria Defendants, and,
27 therefore, no response is required. To the extent a response is required, Altria Defendants are

1 without knowledge or information sufficient to form a belief as to the truth of those allegations and,
2 therefore, deny the same.

3 245. To the extent the allegations of Paragraph 245 are directed toward Altria
4 Defendants, Altria Defendants admit that Altria and JLI conducted due diligence meetings prior to
5 the Transaction. To the extent the allegations of Paragraph 245 are directed toward other
6 Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as
7 to the truth of those allegations and, therefore, deny the same.

8 246. To the extent the allegations of Paragraph 246 are directed toward Altria
9 Defendants, Altria Defendants deny the allegations of Paragraph 246. To the extent the allegations
10 of Paragraph 246 are directed toward other Defendants, Altria Defendants are without knowledge
11 or information sufficient to form a belief as to the truth of those allegations and, therefore, deny the
12 same.

13 247. To the extent the allegations of Paragraph 247 are directed toward Altria
14 Defendants, Altria Defendants deny the allegations of Paragraph 247. To the extent the allegations
15 of Paragraph 247 are directed toward other Defendants, Altria Defendants are without knowledge
16 or information sufficient to form a belief as to the truth of those allegations and, therefore, deny the
17 same.

18 248. Paragraph 248 asserts legal conclusions to which no response is required. To the
19 extent the allegations of Paragraph 248 are directed toward Altria Defendants, Altria Defendants
20 deny the allegations of Paragraph 248. To the extent the allegations of Paragraph 248 are directed
21 toward other Defendants, Altria Defendants are without knowledge or information sufficient to
22 form a belief as to the truth of those allegations and, therefore, deny the same.

23 249. Paragraph 249 asserts legal conclusions to which no response is required. To the
24 extent a response is required and to the extent the allegations of Paragraph 249 are directed toward
25 Altria Defendants, Altria Defendants deny the allegations of Paragraph 249. To the extent the
26 allegations of Paragraph 249 are directed toward other Defendants, Altria Defendants are without
27

1 knowledge or information sufficient to form a belief as to the truth of those allegations and,
2 therefore, deny the same.

3 **EIGHTH CLAIM FOR RELIEF**
4 **Violation of California’s Cartwright Act,**
5 **Cal. Bus. & Prof. Code § 16700, *et seq.***
6 **(By Plaintiffs Daraka Larimore and Adam Matschullat**
7 **on Behalf of the California Class for Damages)**

8 250. No response is required to Paragraph 250 because it does not contain any allegations.

9 251. Paragraph 251 asserts legal conclusions to which no response is required. To the
10 extent a response is required and to the extent the allegations of Paragraph 251 are directed toward
11 Altria Defendants, Altria Defendants deny the allegations of Paragraph 251. To the extent the
12 allegations of Paragraph 251 are directed toward other Defendants, Altria Defendants are without
13 knowledge or information sufficient to form a belief as to the truth of those allegations and,
14 therefore, deny the same.

15 252. Paragraph 252 asserts legal conclusions to which no response is required. To the
16 extent a response is required and to the extent the allegations of Paragraph 252 are directed toward
17 Altria Defendants, Altria Defendants deny the allegations of Paragraph 252. To the extent the
18 allegations of Paragraph 252 are directed toward other Defendants, Altria Defendants are without
19 knowledge or information sufficient to form a belief as to the truth of those allegations and,
20 therefore, deny the same.

21 253. Paragraph 253 asserts legal conclusions to which no response is required. To the
22 extent a response is required and to the extent the allegations of Paragraph 253 are directed toward
23 Altria Defendants, Altria Defendants deny the allegations of Paragraph 253. To the extent the
24 allegations of Paragraph 253 are directed toward other Defendants, Altria Defendants are without
25 knowledge or information sufficient to form a belief as to the truth of those allegations and,
26 therefore, deny the same.

27 254. To the extent the allegations of Paragraph 254 are directed toward Altria
28 Defendants, Altria Defendants deny the allegations of Paragraph 254. To the extent the allegations
of Paragraph 254 are directed toward other Defendants, Altria Defendants are without knowledge

1 or information sufficient to form a belief as to the truth of those allegations and, therefore, deny the
2 same.

3 255. Paragraph 255 asserts legal conclusions to which no response is required. To the
4 extent a response is required and to the extent the allegations of Paragraph 255 are directed toward
5 Altria Defendants, Altria Defendants deny the allegations of Paragraph 255 to the extent they are
6 directed toward Altria Defendants. To the extent the allegations of Paragraph 255 are directed
7 toward other Defendants, Altria Defendants are without knowledge or information sufficient to
8 form a belief as to the truth of those allegations and, therefore, deny the same.

9 256. Paragraph 256 asserts legal conclusions to which no response is required. To the
10 extent a response is required and to the extent the allegations of Paragraph 256 are directed toward
11 Altria Defendants, Altria Defendants deny the allegations of Paragraph 256. To the extent the
12 allegations of Paragraph 256 are directed toward other Defendants, Altria Defendants are without
13 knowledge or information sufficient to form a belief as to the truth of those allegations and,
14 therefore, deny the same.

15 257. Paragraph 257 asserts legal conclusions to which no response is required. To the
16 extent a response is required and to the extent the allegations of Paragraph 257 are directed toward
17 Altria Defendants, Altria Defendants deny those allegations and deny that Plaintiffs are entitled to
18 the relief requested in this Complaint or any relief whatsoever. To the extent the allegations of
19 Paragraph 257 are directed toward other Defendants, Altria Defendants are without knowledge or
20 information sufficient to form a belief as to the truth of those allegations and, therefore, deny the
21 same.

22 **NINTH CLAIM FOR RELIEF**

23 **Violations of California's Unfair Competition Law,**
24 **Cal. Bus. & Prof. Code § 17200, *et seq.* (the "UCL")**
(On Behalf of the Nationwide Class for Restitution)

25 258. No response is required to Paragraph 258 because it does not contain any allegations.

26 259. Paragraph 259 asserts legal conclusions to which no response is required. To the
27 extent a response is required and to the extent the allegations of Paragraph 259 are directed toward

1 Altria Defendants, Altria Defendants deny the allegations of Paragraph 259. To the extent the
2 allegations of Paragraph 259 are directed toward other Defendants, Altria Defendants are without
3 knowledge or information sufficient to form a belief as to the truth of those allegations and,
4 therefore, deny the same.

5 260. Paragraph 260 asserts legal conclusions to which no response is required. To the
6 extent a response is required and to the extent the allegations of Paragraph 260 are directed toward
7 Altria Defendants, Altria Defendants deny the allegations of Paragraph 260. To the extent the
8 allegations of Paragraph 260 are directed toward other Defendants, Altria Defendants are without
9 knowledge or information sufficient to form a belief as to the truth of those allegations and,
10 therefore, deny the same.

11 261. Paragraph 261 asserts legal conclusions to which no response is required. To the
12 extent a response is required and to the extent the allegations of Paragraph 261 are directed toward
13 Altria Defendants, Altria Defendants deny that Plaintiffs are entitled to the relief requested in this
14 Complaint or any relief whatsoever. To the extent the allegations of Paragraph 261 are directed
15 toward other Defendants, Altria Defendants are without knowledge or information sufficient to
16 form a belief as to the truth of those allegations and, therefore, deny the same.

17 262. Paragraph 262 asserts legal conclusions to which no response is required. To the
18 extent a response is required and to the extent the allegations of Paragraph 262 are directed toward
19 Altria Defendants, Altria Defendants deny that Plaintiffs are entitled to the relief requested in this
20 Complaint or any relief whatsoever. To the extent the allegations of Paragraph 262 are directed
21 toward other Defendants, Altria Defendants are without knowledge or information sufficient to
22 form a belief as to the truth of those allegations and, therefore, deny the same.

23 263. To the extent the allegations of Paragraph 263 are directed toward Altria
24 Defendants, Altria Defendants deny the allegations of Paragraph 263. To the extent the allegations
25 of Paragraph 263 are directed toward other Defendants, Altria Defendants are without knowledge
26 or information sufficient to form a belief as to the truth of those allegations and, therefore, deny the
27 same.

1 264. Paragraph 264 asserts legal conclusions to which no response is required. To the
2 extent a response is required and to the extent the allegations of Paragraph 264 are directed toward
3 Altria Defendants, Altria Defendants deny the existence of a single Closed-System E-Cigarette
4 market and deny the allegations of Paragraph 264. To the extent the allegations of Paragraph 264
5 are directed toward other Defendants, Altria Defendants are without knowledge or information
6 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

7 265. Paragraph 265 asserts legal conclusions to which no response is required. To the
8 extent a response is required and to the extent the allegations of Paragraph 265 are directed toward
9 Altria Defendants, Altria Defendants deny those allegations and deny that Plaintiffs are entitled to
10 the relief requested in this Complaint or any relief whatsoever. To the extent the allegations of
11 Paragraph 265 are directed toward other Defendants, Altria Defendants are without knowledge or
12 information sufficient to form a belief as to the truth of those allegations and, therefore, deny the
13 same.

14 266. Paragraph 266 asserts legal conclusions to which no response is required. To the
15 extent a response is required and to the extent the allegations of Paragraph 266 are directed toward
16 Altria Defendants, Altria Defendants deny those allegations and deny that Plaintiffs are entitled to
17 the relief requested in this Complaint or any relief whatsoever. To the extent the allegations of
18 Paragraph 266 are directed toward other Defendants, Altria Defendants are without knowledge or
19 information sufficient to form a belief as to the truth of those allegations and, therefore, deny the
20 same.

21 267. Paragraph 267 asserts legal conclusions to which no response is required. To the
22 extent a response is required and to the extent the allegations of Paragraph 267 are directed toward
23 Altria Defendants, Altria Defendants deny the allegations of Paragraph 267. To the extent the
24 allegations of Paragraph 267 are directed toward other Defendants, Altria Defendants are without
25 knowledge or information sufficient to form a belief as to the truth of those allegations and,
26 therefore, deny the same.

1 268. The allegations of Paragraph 268 are not directed toward Altria Defendants, and,
2 therefore, no response is required. To the extent a response is required and upon information and
3 belief, Altria Defendants deny that JUUL Labs, Inc.’s principal place of business is in San
4 Francisco, California.

5 269. The allegations of Paragraph 269 are not directed toward Altria Defendants, and,
6 therefore, no response is required. To the extent a response is required, Altria Defendants are
7 without knowledge or information sufficient to form a belief as to the truth of those allegations and,
8 therefore, deny the same.

9 270. The allegations of Paragraph 270 are not directed toward Altria Defendants, and,
10 therefore, no response is required. To the extent a response is required, Altria Defendants are
11 without knowledge or information sufficient to form a belief as to the truth of those allegations and,
12 therefore, deny the same.

13 271. The allegations of Paragraph 271 are not directed toward Altria Defendants, and,
14 therefore, no response is required. To the extent a response is required, Altria Defendants are
15 without knowledge or information sufficient to form a belief as to the truth of those allegations and,
16 therefore, deny the same.

17 272. To the extent the allegations of Paragraph 272 are directed toward Altria
18 Defendants, Altria Defendants admit that Altria and JLI conducted due diligence meetings prior to
19 the Transaction. To the extent the allegations of Paragraph 272 are directed toward other
20 Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as
21 to the truth of those allegations and, therefore, deny the same.

22 273. To the extent the allegations of Paragraph 273 are directed toward Altria
23 Defendants, Altria Defendants deny the allegations of Paragraph 273. To the extent the allegations
24 of Paragraph 273 are directed toward other Defendants, Altria Defendants are without knowledge
25 or information sufficient to form a belief as to the truth of those allegations and, therefore, deny the
26 same.

1 279. Paragraph 279 asserts legal conclusions to which no response is required. To the
2 extent a response is required and to the extent the allegations of Paragraph 279 are directed toward
3 Altria Defendants, Altria Defendants deny the allegations of Paragraph 279. To the extent the
4 allegations of Paragraph 279 are directed toward other Defendants, Altria Defendants are without
5 knowledge or information sufficient to form a belief as to the truth of those allegations and,
6 therefore, deny the same.

7 280. Paragraph 280 asserts legal conclusions to which no response is required. To the
8 extent a response is required and to the extent the allegations of Paragraph 280 are directed toward
9 Altria Defendants, Altria Defendants deny that Plaintiffs are entitled to the relief requested in this
10 Complaint or any relief whatsoever. To the extent the allegations of Paragraph 280 are directed
11 toward other Defendants, Altria Defendants are without knowledge or information sufficient to
12 form a belief as to the truth of those allegations and, therefore, deny the same.

13 281. Paragraph 281 asserts legal conclusions to which no response is required. To the
14 extent a response is required and to the extent the allegations of Paragraph 281 are directed toward
15 Altria Defendants, Altria Defendants deny the allegations of Paragraph 281. To the extent the
16 allegations of Paragraph 281 are directed toward other Defendants, Altria Defendants are without
17 knowledge or information sufficient to form a belief as to the truth of those allegations and,
18 therefore, deny the same.

19 282. Paragraph 282 asserts legal conclusions to which no response is required. To the
20 extent a response is required and to the extent the allegations of Paragraph 282 are directed toward
21 Altria Defendants, Altria Defendants deny the existence of a single Closed-System E-Cigarette
22 market and deny the allegations of Paragraph 282. To the extent the allegations of Paragraph 282
23 are directed toward other Defendants, Altria Defendants are without knowledge or information
24 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

25 283. Paragraph 283 asserts legal conclusions, and, therefore, no response is required. To
26 the extent a response is required and to the extent the allegations of Paragraph 283 are directed
27 toward Altria Defendants, Altria Defendants deny the allegations of Paragraph 283. To the extent

1 the allegations of Paragraph 283 are directed toward other Defendants, Altria Defendants are
2 without knowledge or information sufficient to form a belief as to the truth of those allegations and,
3 therefore, deny the same.

4 284. To the extent the allegations of Paragraph 284 are directed toward Altria
5 Defendants, Altria Defendants deny the allegations of Paragraph 284. To the extent the allegations
6 of Paragraph 284 are directed toward other Defendants, Altria Defendants are without knowledge
7 or information sufficient to form a belief as to the truth of those allegations and, therefore, deny the
8 same.

9 285. To the extent the allegations of Paragraph 285 are directed toward Altria
10 Defendants, Altria Defendants deny the existence of a single Closed-System E-Cigarette market
11 and deny the allegations of Paragraph 285. To the extent the allegations of Paragraph 285 are
12 directed toward other Defendants, Altria Defendants are without knowledge or information
13 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

14 286. Paragraph 286 asserts legal conclusions, and, therefore, no response is required. To
15 the extent a response is required and to the extent the allegations of Paragraph 286 are directed
16 toward Altria Defendants, Altria Defendants deny those allegations and deny that Plaintiffs are
17 entitled to the relief requested in this Complaint or any relief whatsoever. To the extent the
18 allegations of Paragraph 286 are directed toward other Defendants, Altria Defendants are without
19 knowledge or information sufficient to form a belief as to the truth of those allegations and,
20 therefore, deny the same.

21 287. Paragraph 287 asserts legal conclusions, and, therefore, no response is required. To
22 the extent a response is required and to the extent the allegations of Paragraph 287 are directed
23 toward Altria Defendants, Altria Defendants deny those allegations and deny that Plaintiffs are
24 entitled to the relief requested in this Complaint or any relief whatsoever. To the extent the
25 allegations of Paragraph 287 are directed toward other Defendants, Altria Defendants are without
26 knowledge or information sufficient to form a belief as to the truth of those allegations and,
27 therefore, deny the same.

ELEVENTH CLAIM FOR RELIEF

**Violation of the Florida Deceptive and Unfair Trade Practices Act,
Fla. Stat. § 501.201(2), *et seq.*
(By Plaintiffs Allison Harrod, Keith May and Ivan Velez, Jr.
On Behalf of the Florida Class for Damages)**

288. No response is required to Paragraph 288 because it does not contain any allegations.

289. Paragraph 289 asserts legal conclusions to which no response is required. To the extent a response is required and to the extent the allegations of Paragraph 289 are directed toward Altria Defendants, Altria Defendants deny the allegations of Paragraph 289. To the extent the allegations of Paragraph 289 are directed toward other Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

290. Paragraph 290 asserts legal conclusions to which no response is required. To the extent a response is required and to the extent the allegations of Paragraph 290 are directed toward Altria Defendants, Altria Defendants deny the allegations of Paragraph 290. To the extent the allegations of Paragraph 290 are directed toward other Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

291. Paragraph 291 asserts legal conclusions to which no response is required. To the extent a response is required and to the extent the allegations of Paragraph 291 are directed toward Altria Defendants, Altria Defendants deny the allegations of Paragraph 291. To the extent the allegations of Paragraph 291 are directed toward other Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

292. Paragraph 292 asserts legal conclusions to which no response is required. To the extent a response is required and to the extent the allegations of Paragraph 292 are directed toward Altria Defendants, Altria Defendants deny the allegations of Paragraph 292. To the extent the allegations of Paragraph 292 are directed toward other Defendants, Altria Defendants are without

1 knowledge or information sufficient to form a belief as to the truth of those allegations and,
2 therefore, deny the same.

3 293. Paragraph 293 asserts legal conclusions to which no response is required. To the
4 extent a response is required and to the extent the allegations of Paragraph 293 are directed toward
5 Altria Defendants, Altria Defendants deny the existence of a single Closed-System E-Cigarette
6 market and deny the allegations of Paragraph 293. To the extent the allegations of Paragraph 293
7 are directed toward other Defendants, Altria Defendants are without knowledge or information
8 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

9 294. Paragraph 294 asserts legal conclusions to which no response is required. To the
10 extent a response is required and to the extent the allegations of Paragraph 294 are directed toward
11 Altria Defendants, Altria Defendants deny the existence of a single Closed-System E-Cigarette
12 market and deny the allegations of Paragraph 294. To the extent the allegations of Paragraph 294
13 are directed toward other Defendants, Altria Defendants are without knowledge or information
14 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

15 295. Paragraph 295 asserts legal conclusions to which no response is required. To the
16 extent a response is required and to the extent the allegations of Paragraph 295 are directed toward
17 Altria Defendants, Altria Defendants deny the existence of a single Closed-System E-Cigarette
18 market and deny the allegations of Paragraph 295. To the extent the allegations of Paragraph 295
19 are directed toward other Defendants, Altria Defendants are without knowledge or information
20 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

21 296. Paragraph 296 asserts legal conclusions to which no response is required. To the
22 extent a response is required and to the extent the allegations of Paragraph 296 are directed toward
23 Altria Defendants, Altria Defendants deny the allegations of Paragraph 296. To the extent the
24 allegations of Paragraph 296 are directed toward other Defendants, Altria Defendants are without
25 knowledge or information sufficient to form a belief as to the truth of those allegations and,
26 therefore, deny the same.

1 knowledge or information sufficient to form a belief as to the truth of those allegations and,
2 therefore, deny the same.

3 302. Paragraph 302 asserts legal conclusions to which no response is required. To the
4 extent a response is required and to the extent the allegations of Paragraph 302 are directed toward
5 Altria Defendants, Altria Defendants deny the existence of a single Closed-System E-Cigarette
6 market and deny the allegations of Paragraph 302. To the extent the allegations of Paragraph 302
7 are directed toward other Defendants, Altria Defendants are without knowledge or information
8 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

9 303. Paragraph 303 asserts legal conclusions to which no response is required. To the
10 extent a response is required and to the extent the allegations of Paragraph 303 are directed toward
11 Altria Defendants, Altria Defendants deny the existence of a single Closed-System E-Cigarette
12 market and deny the allegations of Paragraph 303. To the extent the allegations of Paragraph 303
13 are directed toward other Defendants, Altria Defendants are without knowledge or information
14 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

15 304. Paragraph 304 asserts legal conclusions to which no response is required. To the
16 extent a response is required and to the extent the allegations of Paragraph 304 are directed toward
17 Altria Defendants, Altria Defendants deny the existence of a single Closed-System E-Cigarette
18 market and deny the allegations of Paragraph 304. To the extent the allegations of Paragraph 304
19 are directed toward other Defendants, Altria Defendants are without knowledge or information
20 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

21 305. Paragraph 305 asserts legal conclusions to which no response is required. To the
22 extent a response is required and to the extent the allegations of Paragraph 305 are directed toward
23 Altria Defendants, Altria Defendants deny the allegations of Paragraph 305. To the extent the
24 allegations of Paragraph 305 are directed toward other Defendants, Altria Defendants are without
25 knowledge or information sufficient to form a belief as to the truth of those allegations and,
26 therefore, deny the same.

1 knowledge or information sufficient to form a belief as to the truth of those allegations and,
2 therefore, deny the same.

3 311. Paragraph 311 asserts legal conclusions to which no response is required. To the
4 extent a response is required and to the extent the allegations of Paragraph 311 are directed toward
5 Altria Defendants, Altria Defendants deny the allegations of Paragraph 311. To the extent the
6 allegations of Paragraph 311 are directed toward other Defendants, Altria Defendants are without
7 knowledge or information sufficient to form a belief as to the truth of those allegations and,
8 therefore, deny the same.

9 312. Paragraph 312 asserts legal conclusions to which no response is required. To the
10 extent a response is required and to the extent the allegations of Paragraph 312 are directed toward
11 Altria Defendants, Altria Defendants deny the allegations of Paragraph 312. To the extent the
12 allegations of Paragraph 312 are directed toward other Defendants, Altria Defendants are without
13 knowledge or information sufficient to form a belief as to the truth of those allegations and,
14 therefore, deny the same.

15 313. Paragraph 313 asserts legal conclusions to which no response is required. To the
16 extent a response is required and to the extent the allegations of Paragraph 313 are directed toward
17 Altria Defendants, Altria Defendants deny the allegations of Paragraph 313. To the extent the
18 allegations of Paragraph 313 are directed toward other Defendants, Altria Defendants are without
19 knowledge or information sufficient to form a belief as to the truth of those allegations and,
20 therefore, deny the same.

21 314. Paragraph 314 asserts legal conclusions to which no response is required. To the
22 extent a response is required and to the extent the allegations of Paragraph 314 are directed toward
23 Altria Defendants, Altria Defendants deny the allegations of Paragraph 314. To the extent the
24 allegations of Paragraph 314 are directed toward other Defendants, Altria Defendants are without
25 knowledge or information sufficient to form a belief as to the truth of those allegations and,
26 therefore, deny the same.

1 knowledge or information sufficient to form a belief as to the truth of those allegations and,
2 therefore, deny the same.

3 320. Paragraph 320 asserts legal conclusions to which no response is required. To the
4 extent a response is required and to the extent the allegations of Paragraph 320 are directed toward
5 Altria Defendants, Altria Defendants deny the existence of a single Closed-System E-Cigarette
6 market and deny the allegations of Paragraph 320. To the extent the allegations of Paragraph 320
7 are directed toward other Defendants, Altria Defendants are without knowledge or information
8 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

9 321. Paragraph 321 asserts legal conclusions to which no response is required. To the
10 extent a response is required and to the extent the allegations of Paragraph 321 are directed toward
11 Altria Defendants, Altria Defendants deny the allegations of Paragraph 321. To the extent the
12 allegations of Paragraph 321 are directed toward other Defendants, Altria Defendants are without
13 knowledge or information sufficient to form a belief as to the truth of those allegations and,
14 therefore, deny the same.

15 322. Paragraph 322 asserts legal conclusions to which no response is required. To the
16 extent a response is required and to the extent the allegations of Paragraph 322 are directed toward
17 Altria Defendants, Altria Defendants deny the existence of a single Closed-System E-Cigarette
18 market and deny the allegations of Paragraph 322. To the extent the allegations of Paragraph 322
19 are directed toward other Defendants, Altria Defendants are without knowledge or information
20 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

21 323. Paragraph 323 asserts legal conclusions to which no response is required. To the
22 extent a response is required and to the extent the allegations of Paragraph 323 are directed toward
23 Altria Defendants, Altria Defendants deny the allegations of Paragraph 323. To the extent the
24 allegations of Paragraph 323 are directed toward other Defendants, Altria Defendants are without
25 knowledge or information sufficient to form a belief as to the truth of those allegations and,
26 therefore, deny the same.

1 knowledge or information sufficient to form a belief as to the truth of those allegations and,
2 therefore, deny the same.

3 329. Paragraph 329 asserts legal conclusions to which no response is required. To the
4 extent a response is required and to the extent the allegations of Paragraph 329 are directed toward
5 Altria Defendants, Altria Defendants deny the existence of a single Closed-System E-Cigarette
6 market and deny the allegations of Paragraph 329. To the extent the allegations of Paragraph 329
7 are directed toward other Defendants, Altria Defendants are without knowledge or information
8 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

9 330. Paragraph 330 asserts legal conclusions to which no response is required. To the
10 extent a response is required and to the extent the allegations of Paragraph 330 are directed toward
11 Altria Defendants, Altria Defendants deny the existence of a single Closed-System E-Cigarette
12 market and deny the allegations of Paragraph 330. To the extent the allegations of Paragraph 330
13 are directed toward other Defendants, Altria Defendants are without knowledge or information
14 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

15 331. Paragraph 331 asserts legal conclusions to which no response is required. To the
16 extent a response is required and to the extent the allegations of Paragraph 331 are directed toward
17 Altria Defendants, Altria Defendants deny the existence of a single Closed-System E-Cigarette
18 market and deny the allegations of Paragraph 331. To the extent the allegations of Paragraph 331
19 are directed toward other Defendants, Altria Defendants are without knowledge or information
20 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

21 332. Paragraph 332 asserts legal conclusions to which no response is required. To the
22 extent a response is required and to the extent the allegations of Paragraph 332 are directed toward
23 Altria Defendants, Altria Defendants deny the allegations of Paragraph 332. To the extent the
24 allegations of Paragraph 332 are directed toward other Defendants, Altria Defendants are without
25 knowledge or information sufficient to form a belief as to the truth of those allegations and,
26 therefore, deny the same.

1 333. Paragraph 333 asserts legal conclusions to which no response is required. To the
2 extent a response is required and to the extent the allegations of Paragraph 333 are directed toward
3 Altria Defendants, Altria Defendants deny the allegations of Paragraph 333. To the extent the
4 allegations of Paragraph 333 are directed toward other Defendants, Altria Defendants are without
5 knowledge or information sufficient to form a belief as to the truth of those allegations and,
6 therefore, deny the same.

7 334. Paragraph 334 asserts legal conclusions to which no response is required. To the
8 extent a response is required and to the extent the allegations of Paragraph 334 are directed toward
9 Altria Defendants, Altria Defendants deny the existence of a single Closed-System E-Cigarette
10 market and deny the allegations of Paragraph 334. To the extent the allegations of Paragraph 334
11 are directed toward other Defendants, Altria Defendants are without knowledge or information
12 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

13 335. Paragraph 335 asserts legal conclusions to which no response is required. To the
14 extent a response is required and to the extent the allegations of Paragraph 335 are directed toward
15 Altria Defendants, Altria Defendants deny those allegations and deny that Plaintiffs are entitled to
16 the relief requested in this Complaint or any relief whatsoever. To the extent the allegations of
17 Paragraph 335 are directed toward other Defendants, Altria Defendants are without knowledge or
18 information sufficient to form a belief as to the truth of those allegations and, therefore, deny the
19 same.

20 **SIXTEENTH CLAIM FOR RELIEF**
21 **Violation of the Rhode Island Antitrust Act**
22 **R.I. Gen. Laws § 6-36-1, *et seq.***
23 **(By Plaintiff Kurt Doughty On Behalf**
24 **of the Rhode Island Class for Damages)**

25 336. No response is required to Paragraph 336 because it does not contain any allegations.

26 337. Paragraph 337 asserts legal conclusions to which no response is required. To the
27 extent a response is required and to the extent the allegations of Paragraph 337 are directed toward
28 Altria Defendants, Altria Defendants deny the allegations of Paragraph 337. To the extent the
allegations of Paragraph 337 are directed toward other Defendants, Altria Defendants are without

1 knowledge or information sufficient to form a belief as to the truth of those allegations and,
2 therefore, deny the same.

3 338. Paragraph 338 asserts legal conclusions to which no response is required. To the
4 extent a response is required and to the extent the allegations of Paragraph 338 are directed toward
5 Altria Defendants, Altria Defendants deny the existence of a single Closed-System E-Cigarette
6 market and deny the allegations of Paragraph 338. To the extent the allegations of Paragraph 338
7 are directed toward other Defendants, Altria Defendants are without knowledge or information
8 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

9 339. Paragraph 339 asserts legal conclusions to which no response is required. To the
10 extent a response is required and to the extent the allegations of Paragraph 339 are directed toward
11 Altria Defendants, Altria Defendants deny the existence of a single Closed-System E-Cigarette
12 market and deny the allegations of Paragraph 339. To the extent the allegations of Paragraph 339
13 are directed toward other Defendants, Altria Defendants are without knowledge or information
14 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

15 340. Paragraph 340 asserts legal conclusions to which no response is required. To the
16 extent a response is required and to the extent the allegations of Paragraph 340 are directed toward
17 Altria Defendants, Altria Defendants deny the allegations of Paragraph 340. To the extent the
18 allegations of Paragraph 340 are directed toward other Defendants, Altria Defendants are without
19 knowledge or information sufficient to form a belief as to the truth of those allegations and,
20 therefore, deny the same.

21 341. Paragraph 341 asserts legal conclusions to which no response is required. To the
22 extent a response is required and to the extent the allegations of Paragraph 341 are directed toward
23 Altria Defendants, Altria Defendants deny those allegations and deny that Plaintiffs are entitled to
24 the relief requested in this Complaint or any relief whatsoever. To the extent the allegations of
25 Paragraph 341 are directed toward other Defendants, Altria Defendants are without knowledge or
26 information sufficient to form a belief as to the truth of those allegations and, therefore, deny the
27 same.

SEVENTEENTH CLAIM FOR RELIEF

**Violation of the Rhode Island Unfair Trade Practice and
Consumer Protection Act, R.I. Gen. Laws § 6-13-1.1-1, *et seq.*
(By Plaintiff Kurt Doughty On Behalf
of the Rhode Island Class for Damages)**

342. No response is required to Paragraph 342 because it does not contain any allegations.

343. Paragraph 343 asserts legal conclusions to which no response is required. To the extent a response is required and to the extent the allegations of Paragraph 343 are directed toward Altria Defendants, Altria Defendants deny the allegations of Paragraph 343. To the extent the allegations of Paragraph 343 are directed toward other Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

344. To the extent the allegations of Paragraph 344 are directed toward Altria Defendants, Altria Defendants deny the allegations of Paragraph 344. To the extent the allegations of Paragraph 344 are directed toward other Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

345. Paragraph 345 asserts legal conclusions to which no response is required. To the extent a response is required and to the extent the allegations of Paragraph 345 are directed toward Altria Defendants, Altria Defendants deny the allegations of Paragraph 345. To the extent the allegations of Paragraph 345 are directed toward other Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

346. To the extent the allegations of Paragraph 346 are directed toward Altria Defendants, Altria Defendants deny the existence of a single Closed-System E-Cigarette market and deny the allegations of Paragraph 346. To the extent the allegations of Paragraph 346 are directed toward other Defendants, Altria Defendants are without knowledge or information sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

1 347. Paragraph 347 asserts legal conclusions to which no response is required. To the
2 extent a response is required and to the extent the allegations of Paragraph 347 are directed toward
3 Altria Defendants, Altria Defendants deny the existence of a single Closed-System E-Cigarette
4 market and deny the allegations of Paragraph 347. To the extent the allegations of Paragraph 347
5 are directed toward other Defendants, Altria Defendants are without knowledge or information
6 sufficient to form a belief as to the truth of those allegations and, therefore, deny the same.

7 348. Paragraph 348 asserts legal conclusions to which no response is required. To the
8 extent a response is required and to the extent the allegations of Paragraph 348 are directed toward
9 Altria Defendants, Altria Defendants deny the allegations of Paragraph 348. To the extent the
10 allegations of Paragraph 348 are directed toward other Defendants, Altria Defendants are without
11 knowledge or information sufficient to form a belief as to the truth of those allegations and,
12 therefore, deny the same.

13 349. To the extent the allegations of Paragraph 349 are directed toward Altria
14 Defendants, Altria Defendants deny the allegations of Paragraph 349. To the extent the allegations
15 of Paragraph 349 are directed toward other Defendants, Altria Defendants are without knowledge
16 or information sufficient to form a belief as to the truth of those allegations and, therefore, deny the
17 same.

18 350. Paragraph 350 asserts legal conclusions to which no response is required. To the
19 extent a response is required and to the extent the allegations of Paragraph 350 are directed toward
20 Altria Defendants, Altria Defendants deny those allegations and deny that Plaintiffs are entitled to
21 the relief requested in this Complaint or any relief whatsoever. To the extent the allegations of
22 Paragraph 350 are directed toward other Defendants, Altria Defendants are without knowledge or
23 information sufficient to form a belief as to the truth of those allegations and, therefore, deny the
24 same.

25 **LACK OF ADEQUATE REMEDIES AT LAW**

26 351. Paragraph 351 asserts legal conclusions to which no response is required. To the
27 extent a response is required and to the extent the allegations of Paragraph 351 are directed toward

1 Altria Defendants, Altria Defendants deny those allegations and deny that Plaintiffs are entitled to
2 the relief requested in this Complaint or any relief whatsoever. To the extent the allegations of
3 Paragraph 351 are directed toward other Defendants, Altria Defendants are without knowledge or
4 information sufficient to form a belief as to the truth of those allegations and, therefore, deny the
5 same.

6 352. Paragraph 352 asserts legal conclusions to which no response is required. To the
7 extent a response is required and to the extent the allegations of Paragraph 352 are directed toward
8 Altria Defendants, Altria Defendants deny those allegations and deny that Plaintiffs are entitled to
9 the relief requested in this Complaint or any relief whatsoever. To the extent the allegations of
10 Paragraph 352 are directed toward other Defendants, Altria Defendants are without knowledge or
11 information sufficient to form a belief as to the truth of those allegations and, therefore, deny the
12 same.

13 **ALTRIA DEFENDANTS' DEFENSES**

14 Altria Defendants reserve the right to assert any and all applicable defenses to Plaintiffs'
15 claims. Altria Defendants have not yet obtained adequate discovery from Plaintiffs or third parties
16 in connection with this action, and Altria Defendants therefore reserve the right to amend or
17 otherwise supplement this pleading. Altria Defendants assert the following defenses without
18 assuming the burden of proof or any other burden if such burden would otherwise be on Plaintiffs.
19 Altria Defendants assert these solely to the extent necessary to preserve their rights and state that
20 the factual applicability of some or all of these will depend on how Plaintiffs' case develops and
21 how the other facts develop.

22 **FIRST DEFENSE**

23 The Complaint and the damages relief sought therein are barred, in whole or in part, to the
24 extent that Plaintiffs were not injured by the alleged conduct. Plaintiffs cannot demonstrate an
25 injury of the sort that the antitrust laws were designed to prevent—namely, injury to competition.
26 “The injury should reflect the anticompetitive effect either of the violation or of anticompetitive
27 acts made possible by the violation. . . . It is inimical to the purposes of [the federal antitrust] laws

1 to award damages” when competition has not been reduced. *Brunswick Corp. v. Pueblo Bowl-O-*
2 *Mat, Inc.*, 429 U.S. 477, 488-89 (1977). Because Plaintiffs cannot show that Altria Defendants’
3 conduct reduced competition, Plaintiffs have not suffered an injury cognizable under the federal
4 antitrust laws or the state antitrust laws that punish similar conduct.

5 **SECOND DEFENSE**

6 Plaintiffs’ claims are barred, in whole or in part, because the alleged damages, if any, are
7 speculative and impossible to ascertain. Damages cannot be recovered where the extent of the
8 damage attributable to the wrong is uncertain and cannot be ascertained. *Story Parchment Co. v.*
9 *Paterson Parchment Paper Co.*, 282 U.S. 555, 562 (1931). “[T]he jury may not render a verdict
10 based on speculation or guesswork.” *Bigelow v. RKO Radio Pictures*, 327 U.S. 251, 264 (1946).
11 Here, there is no way to determine the amount of injury and damages, if any, suffered by the class
12 without engaging in rank speculation. Most class members did not suffer an “injury in fact” at all,
13 let alone an injury that was likely caused by Altria Defendants. In addition, many class members
14 purchased JUUL products but then re-sold those products. These class members did not suffer
15 injury in fact if they recovered the amount they had spent on purchasing JUUL, as most if not all
16 such individuals would have done. Moreover, it is likely that most class members have few, if any,
17 objective records of their JUUL purchases, how often they purchased JUUL, the amount they spent
18 on JUUL, or where they purchased JUUL.

19 **THIRD DEFENSE**

20 The alleged injuries asserted by Plaintiffs are too speculative, derivative, and/or remote
21 from the alleged wrongful conduct to be a basis for liability as a matter of law and due process.
22 There must be “some direct relation between the injury asserted and the injurious conduct alleged.”
23 *Staub v. Proctor Hosp.*, 562 U.S. 411, 420 (2011) (citation omitted). Even if Plaintiffs are able to
24 demonstrate a cognizable antitrust injury, recovery is barred because Plaintiffs cannot demonstrate
25 that this injury was caused by Altria Defendants’ conduct.

26 **FOURTH DEFENSE**

27 Plaintiffs lack standing to assert some or all of Plaintiffs’ claims. “[T]o establish standing,

1 a plaintiff must show (i) that he suffered an injury in fact that is concrete, particularized, and actual
 2 or imminent; (ii) that the injury was likely caused by the defendant; and (iii) that the injury would
 3 likely be redressed by judicial relief.” *TransUnion LLC v. Ramirez*, 141 S. Ct. 2190, 2203, 2208
 4 (2021) (“Every class member must have Article III standing in order to recover individual
 5 damages.”). Plaintiffs must establish an “actual or imminent invasion of a concrete and legally
 6 protected interest” that is traceable to Altria Defendants’ conduct and able to be redressed. *Lujan*
 7 *v. Defenders of Wildlife*, 504 U.S. 555, 559-61 (1992). Plaintiffs lack standing because they did
 8 not suffer any damages, injury or harm, individually or on a class-wide basis, let alone any damages,
 9 injury or harm caused by Altria Defendants.

10 **FIFTH DEFENSE**

11 The Complaint and the injunctive relief sought therein are barred, in whole in part, because
 12 Altria Defendants’ alleged conduct did not harm competition. Obtaining injunctive relief under
 13 “Section 7 of the Clayton Act requires [c]onsumers to ‘first establish a prima facie case that a
 14 merger is anticompetitive.’” *DeHoog v. Anheuser-Busch InBev SA/NV*, 899 F.3d 758, 763 (9th Cir.
 15 2018) (quoting *Saint Alphonsus Med. Ctr.-Nampa Inc. v. St. Luke’s Health Sys., Ltd.*, 778 F.3d 775,
 16 783 (9th Cir. 2015)). Plaintiffs cannot show that Altria Enterprises’s acquisition of a minority
 17 interest in JUUL Labs, Inc. had anticompetitive effects, and thus are not entitled to injunctive relief.

18 **SIXTH DEFENSE**

19 The Complaint and the injunctive relief sought therein are barred, because Plaintiffs cannot
 20 satisfy the equitable balancing test for injunctive relief. “[W]ell-established principles of equity”
 21 require a plaintiff seeking injunctive relief to “demonstrate: (1) that it has suffered an irreparable
 22 injury; (2) that remedies available at law, such as monetary damages, are inadequate to compensate
 23 for that injury; (3) that, considering the balance of hardships between the plaintiff and defendant, a
 24 remedy in equity is warranted; and (4) that the public interest would not be disserved by a
 25 permanent injunction.” *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 391 (2006). None of
 26 these considerations tips in favor of Plaintiffs: *First*, Plaintiffs cannot show *any* injury, let alone
 27 an injury that is “irreparable.” *Second*, assuming that Plaintiffs were able to prove one or more of

1 their alleged claims for relief, Plaintiffs have an adequate remedy at law. “[S]everal courts in this
2 district have barred claims for equitable relief . . . where plaintiffs have alleged other claims
3 presenting an adequate remedy at law.” *Munning v. Gap, Inc.*, 238 F. Supp. 3d 1195, 1203 (N.D.
4 Cal. 2017). Plaintiffs have stated claims for compensatory damages for the alleged injuries they
5 sustained in this matter, and therefore Plaintiffs cannot additionally seek equitable relief. *Finally*,
6 neither the balance of hardships nor the public interest favors unwinding a transaction that has
7 already occurred, and that facilitates Altria Defendants’ provision of critical regulatory services
8 that may allow JUUL to remain on the market.

9 **SEVENTH DEFENSE**

10 The alleged conduct was not per se unlawful and must be assessed by the rule of reason
11 under *Texaco Inc. v. Dagher*, 547 U.S. 1, 5 (2006). The non-compete agreement is facially valid
12 under the rule of reason because it was ancillary to the main business purpose of a lawful contract,
13 and it was necessary to protect JLI’s legitimate property interests. *See Lektro-Vend Corp. v. Vendo*
14 *Co.*, 660 F.2d 255, 265 (7th Cir. 1981).

15 **EIGHTH DEFENSE**

16 The Complaint and the relief sought therein are barred because Plaintiffs do not properly
17 define an appropriate relevant market. To succeed under the rule of reason, Plaintiffs must show
18 “that the challenged restraint has a substantial anticompetitive effect that harms consumers in the
19 relevant market.” *Ohio v. Am. Express Co.*, 138 S. Ct. 2274, 2284 (2018). Doing so necessarily
20 requires establishing the relevant market. The Complaint alleges effects in “the Closed-System E-
21 Vapor market,” which is not one single, relevant market with a customer base that is
22 interchangeable for cig-a-likes and pod-based products.

23 **NINTH DEFENSE**

24 The whole of the alleged conduct survives the rule of reason because it had and continues
25 to have substantial pro-competitive justifications. Plaintiffs bear the burden of demonstrating that
26 Altria Defendants’ alleged conduct “ha[d] a substantial anticompetitive effect.” *Am. Express Co.*,
27 138 S. Ct. at 2284. But the alleged conduct benefited and continues to benefit consumers and the

1 public interest. These pro-competitive justifications outweigh any alleged anticompetitive effects
2 of the alleged conduct.

3 **TENTH DEFENSE**

4 To the extent that Plaintiffs' Section 1 and Section 3 claims rely on Altria Defendants'
5 discontinuation of any e-vapor product, this is not a cognizable effect of any later agreement
6 reached by Altria Group and JLI. As such, Plaintiffs' Section 1 and Section 3 claims and the relief
7 sought for their alleged violation are barred, because "Section 1 of the Sherman Act . . . does not
8 reach conduct that is 'wholly unilateral.'" *Copperweld Corp. v. Indep. Tube Corp.*, 467 U.S. 752,
9 768 (1984).

10 **ELEVENTH DEFENSE**

11 Plaintiffs' Section 2 claim against Altria Defendants is barred, because there can be no
12 conspiracy to monopolize in the absence of a Section 1 violation. *Zenith Radio Corp. v. Matsushita*
13 *Elec. Indus. Co.*, 513 F. Supp. 1100, 1320 (E.D. Pa. 1981) (citing Phillip E. Areeda & Herbert
14 Hovenkamp, *Antitrust Law: An Analysis of Antitrust Principles and Their Application* ¶ 809 (4th
15 & 5th eds. 2013–2020) (hereinafter "Areeda")); *see also NYNEX Corp. v. Discon, Inc.*, 525 U.S.
16 128, 139 (1998) ("We do not see, on the basis of the facts alleged, how [plaintiff] could succeed on
17 [its conspiracy-to-monopolize] claim without prevailing on its § 1 claim." (citing Areeda ¶ 651e));
18 *H.L. Hayden Co. of N.Y. v. Siemens Med. Sys., Inc.*, 672 F. Supp. 724, 741 n.21 (S.D.N.Y. 1987)
19 ("Any section 2 conspiracy to monopolize must be covered under the broader umbrella of a section
20 1 conspiracy in restraint of trade."); Areeda ¶ 809 ("Any arrangement that could be considered a
21 'conspiracy' to monopolize must necessarily also be an unreasonable 'contract,' combination,' or
22 'conspiracy' in restraint of trade offending § 1.").

23 **TWELFTH DEFENSE**

24 Plaintiffs' Section 2 claim against Altria Defendants is barred, because Altria Defendants
25 did not agree to withdraw any of their operating companies' products in exchange for a minority
26 stake in JLI. "To prove a conspiracy to monopolize in violation of § 2, [Plaintiffs] must show four
27 elements: (1) the existence of a combination or conspiracy to monopolize; (2) an overt act in

1 furtherance of the conspiracy; (3) the specific intent to monopolize; and (4) causal antitrust injury.”
2 *Paladin Assocs., Inc. v. Montana Power Co.*, 328 F.3d 1145, 1158 (9th Cir. 2003) (citing *United*
3 *States v. Yellow Cab Co.*, 332 U.S. 218, 224-25 (1947), *overruled in unrelated part, Copperweld*
4 *Corp. v. Indep. Tube Corp.*, 467 U.S. 752 (1984)). Altria Defendants did not engage in a
5 combination or conspiracy to monopolize; did not engage in any overt act in furtherance of the
6 conspiracy; did not possess the specific intent to monopolize; and, as elaborated in Altria
7 Defendants’ First and Fifth Defenses, did not engage in conduct that caused antitrust injuries.

8 **THIRTEENTH DEFENSE**

9 Plaintiffs’ Section 7 claim and the relief sought for its alleged violation are barred, because
10 Altria Defendants were neither actual nor perceived potential competitors to JLI at the time of the
11 Transaction. A transaction is actionable under Section 7 only if the firms involved are competitors
12 or “potential” competitors. Areeda ¶ 1100a. Federal courts have discussed two variations of the
13 potential competition doctrine—the actual potential competition theory and the perceived potential
14 competition theory—neither of which is availing for Plaintiffs. *Id.* The actual potential competition
15 theory is not a viable theory; it has not been adopted by the U.S. Supreme Court and “[o]nly one
16 circuit” has expressly endorsed it over four decades ago. *Fraser v. Major League Soccer, L.L.C.*,
17 284 F.3d 47, 70-71 (1st Cir. 2002) (citing *Yamaha Motor Co. v. Fed. Trade Comm’n*, 657 F.2d 971,
18 978-80 (8th Cir. 1981)). Even if this Court were to recognize the actual potential competition
19 theory of Section 7 liability, Plaintiffs must show that an Altria Group subsidiary “would, but for
20 the acquisition, have entered the market as a competitor in the near future.” *United States v.*
21 *Siemens Corp.*, 621 F.2d 499, 505 (2d Cir. 1980). Plaintiffs can make no such showing.
22 Alternatively, to fulfill a Section 7 claim under the perceived potential competitor theory, Plaintiffs
23 must show that the mere threat of “new entry by the acquiring firm induced competitors in the
24 acquired firm’s market to perform more competitively,” even if the acquiring firm would not
25 actually have entered the market. *Ginsburg v. InBen NV/SA*, 623 F.3d 1229, 1234 (8th Cir. 2010)
26 (citing Areeda ¶ 1121a). Plaintiffs cannot make this showing either.

1 **FOURTEENTH DEFENSE**

2 The discontinuation of Nu Mark’s pre-existing e-vapor products did not unreasonably
3 restrain trade or substantially lessen competition to the extent those products would not have
4 received authorization from FDA to remain on the market. To show the need for relief under the
5 federal antitrust laws related to the discontinuation of Nu Mark’s e-vapor products, Plaintiffs must
6 show that in a “but for” world, Nu Mark’s products would have received FDA approval and would
7 have remained on the market. Because “there is an inescapable amount of uncertainty” in such an
8 analysis, Areeda ¶ 392a, Plaintiffs must show harm from restrained trade or reduced competition
9 “as a matter of just and reasonable inference.” *Story Parchment Co. v. Paterson Parchment Paper*
10 *Co.*, 282 U.S. 555, 562 (1931). “But there is a difference between inference, which is permitted,
11 and *speculation*, which is not permitted.” Areeda ¶ 392a (emphasis in original). It would be pure
12 speculation—contrary to the weight of the evidence—for Plaintiffs to contend that Nu Mark’s e-
13 vapor products would have received FDA approval or otherwise have remained on the market.

14 **FIFTEENTH DEFENSE**

15 The discontinuation of Nu Mark’s development of new e-vapor products did not
16 unreasonably restrain trade or substantially lessen competition because any claimed harm is
17 improperly speculative. While it is speculative, as articulated in Altria Defendants’ Fourteenth
18 Defense above, to assert that Nu Mark’s e-vapor products existing in December 2018 would have
19 received FDA approval, it is doubly so to insist that Nu Mark’s yet-to-be-developed and not-even-
20 conceived e-vapor products would have received FDA approval *and* would have been
21 commercially competitive. Plaintiffs could not prove such a turn of events and would necessarily
22 resort to “pure speculation and guesswork.” *Home Placement Serv., Inc. v. Providence Journal*
23 *Co.*, 819 F.2d 1199, 1205 (1st Cir. 1987).

24 **SIXTEENTH DEFENSE**

25 Plaintiffs’ state antitrust law claims are barred because they are derivative of the unavailing
26 federal antitrust claims. The state courts have made clear that the analysis under their antitrust laws
27 is identical to that under federal law. *See Name.Space, Inc. v. Internet Corp. for Assigned Names*

1 & *Numbers*, 795 F.3d 1124, 1131 n.5 (9th Cir.2015) (California) (“[T]he analysis under the
 2 Cartwright Act . . . is identical to that under the Sherman Act.”); *Robert’s Hawaii School Bus,*
 3 *Inc. v. Laupahoehoe Transp. Co., Inc.*, 982 P.2d 853, 876 (Haw. 1999) (“[W]hen the state
 4 legislature undertook the task of fashioning Hawaii’s antitrust law, it logically followed the federal
 5 paradigm.” (quotation omitted)); *Biocad JSC v. F. Hoffmann-La Roche*, 942 F.3d 88, 101 (2d Cir.
 6 2019) (New York) (the “Donnelly Act . . . is modeled after the Sherman Act and ‘should generally
 7 be construed in light of Federal precedent.’” (internal citations omitted)); *Steward Health Care*
 8 *Sys., LLC v. Blue Cross & Blue Shield of Rhode Island*, 997 F. Supp. 2d 142, 1552 (D.R.I. 2014)
 9 (Rhode Island) (“Court[s] appl[y] the same substantive law to the state and federal antitrust claims
 10 as the Rhode Island Antitrust Act mirrors the Sherman Act.”).

11 **SEVENTEENTH DEFENSE**

12 Plaintiffs’ consumer-protection claims are barred for the same reason Plaintiffs’ antitrust
 13 claims fail because both claims challenge the same underlying conduct. *See LiveUniverse, Inc. v.*
 14 *MySpace, Inc.*, 304 F. App’x 554, 557-58 (9th Cir. 2008) (“Where . . . the same conduct is alleged
 15 to support both a plaintiff’s federal antitrust claims and state-law unfair competition claim, a finding
 16 that the conduct is not an antitrust violation precludes a finding of unfair competition.”).

17 **EIGHTEENTH DEFENSE**

18 Insofar as any applicable “consumer fraud laws” and “consumer protection laws” require
 19 exhaustion of administrative or other remedies, the claims asserted in the Complaint under the
 20 applicable “consumer protection laws” should be stayed or dismissed because, on information and
 21 belief, Plaintiffs have not exhausted those administrative or other remedies. The Supreme Court
 22 has “recognized in more than a few decisions” “that orderly procedure and good administration
 23 require that objections to the proceedings of an administrative agency be made while it has
 24 opportunity for correction in order to raise issues reviewable by the courts.” *United States v. L. A.*
 25 *Tucker Truck Lines, Inc.*, 344 U.S. 33, 36-37 (1952). As a consequence, “[s]imple fairness to those
 26 who are engaged in the tasks of administration, and to litigants, requires as a general rule that courts
 27 should not topple over administrative decisions unless the administrative body not only has erred

1 but has erred against objection made at the time appropriate under its practice.” *Id.* “Particularly,
2 judicial review may be hindered by the failure of the litigant to allow the agency to make a factual
3 record, or to exercise its discretion or apply its expertise.” *McKart v. United States*, 395 U.S. 185,
4 194-95 (1969). “A complaining party may be successful in vindicating his rights in the
5 administrative process. If he is required to pursue his administrative remedies, the courts may never
6 have to intervene.” *Id.* “And notions of administrative autonomy require that the agency be given
7 a chance to discover and correct its own errors.” *Id.* Plaintiffs’ claims are barred, in whole or in
8 part, by the doctrine of exhaustion in so far as various state laws have vested state agencies with
9 jurisdiction to regulate the advertising and marketing of e-cigarettes and other products. Plaintiffs
10 have failed to exhaust all administrative options available to them through these processes.

11 **NINETEENTH DEFENSE**

12 Plaintiffs’ claims are barred, in whole or in part, to the extent that Plaintiffs seek to recover
13 damages as members of multiple purported classes in this action. Courts have described the “one
14 satisfaction rule” as being an “equitable doctrine [which] operates to . . . prevent the plaintiff from
15 recovering twice from the same assessment of liability.” *Contreras v. Kohl’s Dep’t Stores, Inc.*,
16 2017 WL 6372646, at *3 (C.D. Cal. Dec. 12, 2017) (quoting *Sloane v. Equifax Info. Servs., LLC*,
17 510 F.3d 495, 501 (4th Cir. 2007)). The doctrine bars recovery here to the extent Plaintiffs seek
18 relief as members of more than one purported class.

19 **TWENTIETH DEFENSE**

20 Plaintiff’s state-law claims and the associated relief are barred by the presumption against
21 extraterritoriality. In the absence of clear statutory text that indicates otherwise, a state’s statutes
22 are presumed to be limited in application to the confines of the state’s borders. *See, e.g., Global*
23 *Reinsurance Corp.-U.S. Branch v. Equitas Ltd.*, 969 N.E.2d 187, 195 (N.Y. 2012) (noting, in
24 applying a state antitrust statute, that “[t]he established presumption is, of course, against the
25 extraterritorial operation of New York law”); *J.P. Morgan & Co. v. Superior Court*, 113 Cal. App.
26 4th 195, 221 (2003) (“[A] court should not ordinarily construe a statute as regulating occurrences
27 outside the state unless a contrary intention is clearly expressed or reasonably can be inferred from

1 the language or purpose of the statute.”). Should Altria Defendants be held liable under any of
2 Plaintiffs’ state-law claims, Plaintiffs may not obtain damages or other relief on a given cause of
3 action for conduct that occurred outside the state giving rise to that claim.

4 **TWENTY-FIRST DEFENSE**

5 Plaintiffs’ California-law claims against Altria Defendants are constitutionally barred to the
6 extent that Plaintiffs seek relief for a nationwide class under the laws of a single state. The Due
7 Process Clause requires that “[f]or a nationwide class to invoke the law of a particular state, the
8 chosen state’s law must both (1) not conflict with the law of another jurisdiction that has an interest
9 in the case, and (2) have a significant contact or significant aggregation of contacts to claims
10 asserted by each member of the plaintiff class to insure that the choice of the forum state’s law is
11 not arbitrary or unfair.” *In re Graphics Processing Units Antitrust Litig.*, 527 F. Supp. 2d 1011,
12 1027 (N.D. Cal. 2007) (citing *Phillips Petroleum Co. v. Shutts*, 472 U.S. 797, 821-22 (1985)).
13 Because there is no significant contact or even “aggregation of contacts” between California and
14 Plaintiffs’ claims against Altria Defendants, applying California law to claims brought by out-of-
15 state class members would be “arbitrary [and] unfair,” *id.*; it cannot “be applied without offending
16 [Altria Defendants’] due process rights.” *AT&T Mobility LLC v. AU Optronics Corp.*, 707 F.3d
17 1106, 1113 (9th Cir. 2013).

18 **TWENTY-SECOND DEFENSE**

19 The Complaint and the relief sought therein is barred by equitable considerations to the
20 extent they purchased JUUL products for the purpose of reselling to underage consumers. The
21 Ninth Circuit has held that “[t]he equitable consideration of preventing a windfall gain from the
22 plaintiff’s own wrongdoing” may justify a defense to damages and injunctive relief in private
23 antitrust actions. *THI-Hawaii, Inc. v. First Commerce Fin. Corp.*, 627 F.2d 991, 996 (9th Cir.
24 1980). Plaintiffs’ proposed class would wrongfully reward the misconduct of those who resold
25 JUUL products to minors who could not otherwise legally purchase or use those products.

TWENTY-THIRD DEFENSE

1
2 Altria Defendants are entitled to setoff, should any damages be awarded against them, in
3 the amount of damages or settlement amounts recovered by Plaintiffs. Altria Defendants are also
4 entitled to have any damages that may be awarded to Plaintiffs reduced by the value of any benefit
5 or payment to Plaintiffs from any collateral source. A plaintiff's award is offset from other avenues
6 of recovery such as a settlement or a separate judgment. *See Harrison v. Adams*, 20 Cal.2d 646,
7 648 (1942) (“[I]t is well settled that a court of equity will compel a set-off when mutual demands
8 are held under such circumstances that one of them should be applied against the other and only
9 the balance recovered.”); *see also Citizens Bank v. Strumpf*, 516 U.S. 16, 18 (1995) (“The right of
10 setoff (also called ‘offset’) allows entities that owe each other money to apply their mutual debts
11 against each other, thereby avoiding ‘the absurdity of making A pay B when B owes A.’”).
12 Plaintiffs’ recovery, should Altria Defendants be found liable, is barred by the right of setoff to the
13 extent Plaintiffs have already recovered for an alleged overpayment related to their purchases of
14 JUUL in other antitrust litigation or any other litigation asserting an overpayment claim.

TWENTY-FOURTH DEFENSE

15
16 Venue is improper in the Northern District of California. Under the Clayton Act’s venue
17 provision, venue is proper only in a district where the defendant is an “inhabitant,” “transacts
18 business,” or may be “found.” 15 U.S.C. § 22. Altria Defendants are each headquartered in
19 Virginia and do not transact business in California.

TWENTY-FIFTH DEFENSE

20
21 Plaintiffs’ claims are barred, in whole or in part, because the Court lacks personal
22 jurisdiction over Altria Defendants. In the Second, Seventh, and D.C. Circuits, Plaintiffs could not
23 rely on the Clayton Act’s worldwide service-of-process provision, because Altria Defendants are
24 not “inhabitant[s]” of California, do not “transact[] business” in California, and may not be “found”
25 there. *See KM Enterprises, Inc. v. Glob. Traffic Techs., Inc.*, 725 F.3d 718, 728 (7th Cir. 2013);
26 *Daniel v. Am. Bd. of Emergency*, 428 F.3d 408, 424 (2d Cir. 2005); *GTE New Media Servs. Inc. v.*
27 *BellSouth Corp.*, 199 F.3d 1343, 1351 (D.C. Cir. 2000); *Areeda* ¶ 271d. Plaintiffs would need to

1 establish personal jurisdiction over Altria Defendants based on ordinary personal jurisdiction
2 principles, which they cannot do for the reasons given above.

3 TWENTY-SIXTH DEFENSE

4 Even if the Court holds that it possesses personal jurisdiction over Altria Defendants with
5 respect to the federal-law claims, it does not have personal jurisdiction over Altria Defendants with
6 respect to the state-law claims. The doctrine of pendent personal jurisdiction has been implicitly
7 overruled by the Supreme Court. *See Bristol-Myers Squibb Co. v. Superior Court of California*,
8 137 S. Ct. 1773, 1781 (2017) (requiring that plaintiffs establish personal jurisdiction for each
9 “specific claim[]”). Plaintiffs cannot establish personal jurisdiction with respect to the state-law
10 claims because they can show neither general nor specific personal jurisdiction over Altria
11 Defendants in California. Altria Defendants are “not incorporated in [California] and [do] not
12 maintain [their] principal place of business there.” *BNSF Ry. Co. v. Tyrrell*, 137 S. Ct. 1549, 1559
13 (2017). Nor are these entities “so heavily engaged in activity in [California] ‘as to render [them]
14 essentially at home’ in that State.” *Id.* The Court does not have specific personal jurisdiction over
15 Altria Defendants, because “the suit” here did not “arise out of or relate to [Altria Defendants’]
16 contacts with [California].” *Bristol-Myers Squibb*, 137 S. Ct. at 1780 (internal quotation marks and
17 alterations omitted). To determine “whether [a] claim arises out of” a defendant’s contact with a
18 certain state, the Ninth Circuit “use[s] a ‘but for’ test to conduct [the] analysis.” *Mattel, Inc. v.*
19 *Greiner & Hausser GmbH*, 354 F.3d 857, 864 (9th Cir. 2003). Specifically, the question is whether
20 “[b]ut for [the defendant’s] contacts with [the forum state], [the plaintiff’s] claims against [the
21 defendant would] have arisen.” *Id.* Plaintiffs cannot pass that test here: Neither of the Altria
22 Defendants do any business in California, nor do Altria Defendants sell any JUUL product in
23 California (or anywhere else).

24 TWENTY-SEVENTH DEFENSE

25 Any claim by Plaintiffs for pre-judgment interest should be dismissed because the amount
26 of damages (if any) was not readily ascertainable at the time Plaintiffs’ lawsuit was commenced
27 and Altria is not responsible for any delay in the presentation or prosecution of this action.

1 “Prejudgment interest is only allowed where the damage award is known or ascertainable
2 at a time prior to entry of judgment.” *Crockett & Myers, Ltd. v. Napier, Fitzgerald & Kirby, LLP*,
3 567 F. App’x 527, 528 (9th Cir. 2014) (alterations omitted); *see also, e.g., Web Analytics*
4 *Demystified, Inc. v. Keystone Solutions, LLC*, 2015 WL 13858604, at *1 (D. Or. Oct. 13, 2015)
5 (“[A] trial court may award prejudgment interest on damages only when both the amount of
6 damages and the time from which interest should run are ascertained or easily ascertainable.”);
7 *Zargarian v. BMW of N. Am., LLC*, 442 F. Supp. 3d 1216, 1225 (C.D. Cal. 2020) (similar).
8 Plaintiffs cannot show a known or ascertainable damages figure prior to entry of judgment in this
9 action.

10 **TWENTY-EIGHTH DEFENSE**

11 Plaintiffs’ claims are barred, in whole or in part, because their proposed class is not capable
12 of being certified under the Federal Rules of Civil Procedure. To obtain certification, Plaintiffs
13 must satisfy the requirements of Federal Rule of Civil Procedure 23(a): numerosity, commonality,
14 typicality, and adequacy. Fed. R. Civ. P. 23(a). In addition, because Plaintiffs seek to certify a
15 class seeking monetary damages, they must satisfy Rule 23(b)(3)’s predominance and superiority
16 requirements. Fed. R. Civ. P. 23(b)(3). Plaintiffs cannot satisfy these prerequisites.

17 **TWENTY-NINTH DEFENSE**

18 The proposed class action is barred by Plaintiffs’ failure to identify an ascertainable class.
19 Plaintiffs’ proposed class requires that, to establish they are class members, claimants prove they
20 purchased JUUL devices and pods from brick and mortar or online retailers that in turn purchased
21 those devices and pods from JLI. There are no objective records that sufficiently establish class
22 membership for the class as a whole. In addition, class members are unlikely to have retained
23 objective proof of their purchases such as receipts. As a result, individual inquiries would be
24 needed to determine whether each claimant purchased JUUL indirectly.

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THIRTIETH DEFENSE

The proposed class action does not meet the predominance requirement of Fed. R. Civ. P. 23(b)(3). Predominance requires that “that the questions of law or fact common to class members predominate over any questions affecting only individual members.” Fed. R. Civ. P. 23(b)(3).

Each class member must demonstrate that he or she purchased JUUL indirectly, and account for the number of JUUL products purchased from brick and mortar or online retailers and the price he or she paid each time. These requirements raise numerous individual issues, including, among other things, when a class member began purchasing JUUL, how a class member obtained JUUL, and whether a class member continues to purchase JUUL indirectly. Given the variability among class members with respect to these and other issues, individual issues would predominate over any possible common issues.

THIRTY-FIRST DEFENSE

The proposed class action fails because trying Plaintiffs’ claims on a class-wide basis would violate the Rules Enabling Act, 28 U.S.C. § 2072. “The Rules Enabling Act forbids interpreting Rule 23 to ‘abridge, enlarge or modify any substantive right.’” *Wal-Mart Stores, Inc. v. Dukes*, 564 U.S. 338, 367 (2011) (quoting 28 U.S.C. § 2072).

Each class member must demonstrate that he or she purchased JUUL indirectly, and account for the number of JUUL products purchased from brick and mortar or online retailers and the price he or she paid each time. These requirements raise numerous individual issues, including, among other things, when a class member began purchasing JUUL, how a class member obtained JUUL, and whether a class member continues to purchase JUUL indirectly. Given the variability among class members with respect to these and other issues, there is no way to resolve these claims on a class-wide basis without altering or eliminating Altria Defendants’ substantive rights. Doing so would violate the Rules Enabling Act.

THIRTY-SECOND DEFENSE

The proposed class action fails because trying Plaintiffs’ claims on a class-wide basis would

1 violate due process. Altria Defendants have a due process right to demonstrate that each plaintiff
2 could not satisfy all of the elements of his or her claims or that the claims would otherwise be barred
3 by defenses. *See, e.g., Lindsey v. Normet*, 405 U.S. 56, 66 (1972) (“Due process requires that there
4 be an opportunity to present every available defense.”) (citation omitted); *Sandwich Chef of Texas,*
5 *Inc. v. Reliance Nat’l Indem. Ins. Co.*, 319 F.3d 205, 220 (5th Cir. 2003) (reversing certification
6 where procedures denied defendants opportunity to dispute individual issues). “[A] class action
7 cannot be certified in a way that eviscerates this right or masks individual issues.” *Carrera v. Bayer*
8 *Corp.*, 727 F.3d 300, 307 (3d Cir. 2013); *see also Sacred Heart Health Sys. v. Humana Military*
9 *Healthcare Servs.*, 601 F.3d 1159, 1176 (11th Cir. 2010) (similar).

10 Each class member must demonstrate that he or she purchased JUUL indirectly, and account
11 for the number of JUUL products purchased from brick and mortar or online retailers and the price
12 he or she paid each time. These requirements raise numerous individual issues, including, among
13 other things, when a class member began purchasing JUUL, how a class member obtained JUUL,
14 and whether a class member continues to purchase JUUL indirectly. Given the variability among
15 class members with respect to these and other issues, there is no way to resolve these claims on a
16 class-wide basis without violating Altria Defendants’ due process rights.

17 **THIRTY-THIRD DEFENSE**

18 Altria Defendants adopt by reference any applicable defense pled by any other Defendant
19 not expressly set forth herein to the extent they do not conflict with Altria Defendants’ affirmative
20 and other defenses.

21 **THIRTY-FOURTH DEFENSE**

22 Altria Defendants hereby give notice that they intend to rely upon any other defense that
23 may become available or appear during the discovery proceedings in this case and hereby reserves
24 its right to amend its Answers to assert any such defenses.

25 **PRAYER FOR RELIEF**

26 WHEREFORE, Altria Defendants pray that this Court deny the relief requested by
27 Plaintiffs, dismiss this action with prejudice, enter judgment that Plaintiffs have and recover no

1 relief from Altria Defendants, tax costs and attorneys' fees against the Plaintiffs, and afford Altria
2 Defendants such other and further relief as may be just and proper.

3 **DEMAND FOR JURY TRIAL**

4 Altria Defendants hereby demand a jury trial on all issues upon which trial by a jury may
5 be had.

6 DATED: November 19, 2021

WILKINSON STEKLOFF LLP

7 /s/ Beth A. Wilkinson

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CERTIFICATE OF SERVICE

I, Beth A. Wilkinson, hereby certify that on November 19, 2021, I electronically filed the foregoing with the Clerk of the United States District Court for the Northern District of California using the CM/ECF system, which shall send electronic notifications to all counsel of record. In compliance with Civil Local Rule 5-1(h)(3), I hereby attest that each of the signatories identified above has concurred in this filing.

/s/ Beth A. Wilkinson

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