

\$96 Million Settlement in California Antitrust Moist Snuff Case Obtains Final Approval

March 12, 2008

Plaintiffs have obtained final approval of a \$96,000,000 settlement in the Smokeless Tobacco Antitrust Litigation pending in the California Superior Court in San Francisco, California. Zelle Hofmann has been integrally involved in this litigation, as the firm serves on the Executive Committee, and was extensively involved in all aspects of this case. The settlement was achieved after five years of hard-fought litigation, after the completion of most discovery, as trial approached, and in the context of a court-ordered mediation before a former Justice of the California Court of Appeal. The proposed settlement compensates a class of California indirect purchasers of moist snuff products which alleged that U.S. Smokeless Tobacco monopolized the moist snuff market and engaged in restrictive and exclusionary acts during the time period 1990 to the present in violation of California state antitrust laws.

Under the settlement, U.S. Smokeless paid \$96,000,000 into a fund (the "Settlement Fund"). Eligible class members who submit valid and timely claim forms will receive cash payments from that fund ranging from \$195 to \$585, depending upon how long they have been purchasing moist snuff products during the class period. The claims period ends on April 10, 2008. Additionally, in satisfaction of the claims of class members who are not eligible to receive cash payments, \$5,000,000 of the Settlement Fund will be set aside and paid to court-approved charities and non-profit organizations. No amount of the \$96,000,000 will revert to U.S. Smokeless.

This settlement is one of the largest consumer class action settlements in California state court history, and with the opportunity for moist snuff purchasers to receive cash payments of up to \$585, provides a substantially better recovery to class members than court-approved settlements in related actions against U.S. Smokeless in Wisconsin, Michigan, Minnesota, Kansas, and a 13-state consolidated settlement in Tennessee. Those cases all settled for coupons for U.S. Smokeless moist snuff products rather than for cash payments to class members. At the final approval hearing, Superior Court

Judge Richard A. Kramer praised the settlement as extraordinary.

The Zelle Hofmann contact attorney on this case is Chris Micheletti.