

NOTICE OF MASSACHUSETTS MARLBORO LIGHTS **CLASS ACTION SETTLEMENT**

Thomas Geanacopoulos v. Philip Morris USA, Inc.
Massachusetts Superior Court, Civil Action No. 98-6002-BLS1

If, during any portion of the time period from November 25, 1994 to November 25, 1998, you were

- **a resident of Massachusetts who purchased Marlboro Lights cigarettes in Massachusetts, or**
- **a resident of Connecticut, Maine, New Hampshire, New York, Rhode Island or Vermont who regularly purchased Marlboro Lights cigarettes in Massachusetts,**

you may be entitled to payment under the Settlement of the class action described in this Notice.

To receive your share of the Class Recovery, you must submit a valid Claim Form no later than November 28, 2016. The Claim Form is included with this notice package and also is available online at www.MALightsSettlement.com.

What is the case about?

Plaintiffs brought this class action lawsuit against Philip Morris USA, Inc. (“Philip Morris”) on November 25, 1998, claiming that by using the words “lights” and “lowered tar and nicotine” on packages of Marlboro Lights, Philip Morris falsely represented that Marlboro Lights were less harmful and that they delivered lower tar and nicotine in comparison to Regular Marlboros, when in fact Marlboro Lights do not deliver significantly lower tar and nicotine to human smokers and were no less harmful than Regular Marlboros. Plaintiffs claimed that Philip Morris’ conduct was unfair and deceptive and violated the Massachusetts consumer protection law. This lawsuit sought economic damages related to the purchase of Marlboro Lights cigarettes, together with statutory damages and disgorgement of profits.

Am I a class member?

The Court has allowed this case to proceed as a class action lawsuit. You are a class member, if during any portion of the time period from November 25, 1994 to November 25, 1998, you were (a) a resident of Massachusetts who purchased Marlboro Lights cigarettes in Massachusetts, or (b) a resident of Connecticut, Maine, New Hampshire, New York, Rhode Island or Vermont who regularly purchased Marlboro Lights cigarettes in Massachusetts.

What has happened in this case?

Following a five week trial in late 2015, the Court found that by making health reassurance claims about Marlboro Lights, Philip Morris had in fact engaged in willful violations of the Massachusetts consumer protection laws because it knew that in fact

- Marlboro Lights were no less harmful or safer than Regular Marlboros; and
- The vast majority of addicted smokers did not get less tar and nicotine from Marlboro Lights than from Regular Marlboros, because smokers changed the way they smoked Marlboro Lights to get as much or more tar and nicotine from Marlboro Lights as those same smokers would have gotten from Regular Marlboros.

The Court found that the Class was injured, but that the Plaintiff had not proven the amount of actual damages suffered by the Class with sufficient certainty. The Court also found that the law did not allow it to order Philip Morris to disgorge the profits it had made from the sales of Marlboro Lights to the Class. Instead, the Court awarded the Class damages in the statutory amount of \$25 per class member, or a total of \$4,942,500 for the estimated 197,700 Class members, plus prejudgment interest calculated at the rate of 12% per year starting on November

25, 1998. On the date the Settlement Agreement was signed, the prejudgment interest due on the statutory damage award totaled \$10,331,315. The Court further found the lawyers who represented the Class were entitled to an award of attorneys' fees and expenses to be paid by Philip Morris.

What are the terms of the Settlement?

Under the proposed Settlement, Philip Morris has agreed to pay the Class the full \$15,273,815 that was awarded by the Court as statutory damages and interest after the trial (the "Class Recovery").

If the Settlement is approved, Class members will be prevented from bringing any further claims against Philip Morris, and its affiliated companies or their officers, directors or employees, for economic damages related to the Class members' purchase of Marlboro Lights cigarettes in Massachusetts. Nothing in the Settlement, or the judgment that will be entered by the Court, will prevent Class members from pursuing any other claims against any such entity or person, including claims for personal injury, addiction, or any other health-related damage resulting from smoking.

How is the Class Recovery being distributed?

The lawyers for the Class will ask the Court to award \$25,000 to each of the two plaintiffs who brought this lawsuit to compensate them for their efforts in the case since it was first filed in 1998 to be paid out of the Class Recovery. They will also ask the Court to allow the costs of providing notice and administering the settlement to be paid out of the Class Recovery. After those amounts have been paid, the remaining amounts would be available to be paid to the Class members (the "Net Class Recovery"). If not all Class members submit valid and timely Claim Forms, and there is money left over, the Court will decide how to distribute those funds.

How much will I get from the Class Recovery?

If you are a Class member, and you submit a valid and timely Claim Form, you will share equally in the Net Class Recovery with the other members of the Class who have submitted valid and timely Claim Forms, up to a maximum amount of \$225 per Class member. If every Class member submits a valid and timely Claim Form, we estimate the amount you will receive will be approximately \$75.

How can I get my share of the Class Recovery?

If you are a Class member, and would like to receive your share of the Class Recovery, you must fill out and submit a Claim Form **no later than November 28, 2016**. The Claim Form is attached to this Notice and explains the steps you must follow. A copy of the Claim Form is also available at www.MALightsSettlement.com and may be submitted online.

What if I do not want to be part of the Class?

Under Massachusetts law, Class members do not have the right to exclude themselves from the Class.

Who represents the Class in this case?

The Plaintiffs and the Class have been represented throughout this case by the Boston law firm Shapiro Haber & Urmey LLP ("Class Counsel"). Several other law firms have provided assistance to Class Counsel since the case was begun in 1998.

How will the lawyers be paid?

Since the beginning of this case more than 17 years ago, Class Counsel and the other lawyers representing the Class have not received any payment for any of their legal services they have provided the Class or any reimbursement of any of the out-of-pocket expenses they have incurred in the case. Class Counsel plan to ask the Court to award all of the lawyers a total of \$16,500,000 in attorneys' fees and expenses, in addition to the Class Recovery discussed

above. Any attorneys' fees and expenses awarded by the Court will be separately paid by Philip Morris and will not reduce the Class Recovery.

Will the Court review the fairness of the Settlement and Class Counsel's fee request?

The Court will hold a Final Approval Hearing on **September 29, 2016**, at **2:00 PM** in Courtroom 1309 at Suffolk Superior Court, 3 Pemberton Square, Boston, MA 02108. The Court may re-schedule the hearing without further notice. At the hearing, the Court will consider whether: (a) the Settlement is fair, reasonable and adequate; (b) the Court should approve payment of \$25,000 service awards to each of the Plaintiffs who brought this lawsuit; and (c) the Court should approve Class Counsel's request for attorneys' fees and expenses to be paid by Philip Morris.

What should I do if I object to the Settlement?

If you are a Class Member, you may object to any aspect of the Settlement, including the applications for service awards to each of the original plaintiffs and the award of attorneys' fees and expenses. In order to object, you must, **on or before August 19, 2016**:

- Submit a written notice to the Suffolk Superior Court, 3 Pemberton Square, Boston, MA 02108, which contains: (a) the case name and number, (b) your name, address and telephone number, (c) a statement setting out your objections and the basis for them, along with any documentation you intend to rely on at the Fairness Hearing, (d) a statement of whether you intend to appear at the Fairness Hearing, and (e) a statement indicating the number of times in the past three years you and/or your counsel have objected to a class action settlement, listing each one by name of case, jurisdiction, docket number and outcome of the objection.
- Send copies of all of these materials by first-class mail to counsel at:

Class Counsel
Thomas V. Urmy, Jr.
Shapiro Haber & Urmy LLP
2 Seaport Lane
Boston, MA 02210

Philip Morris' Counsel
Kenneth J. Parsigian
Latham & Watkins LLP
200 Clarendon Street
Boston, MA 02116

How can a Class member get more information?

This Notice is a summary and does not describe all the details of the Settlement. You are encouraged to read the Settlement Agreement, the Preliminary Approval Order, the Findings of Fact and Conclusions of Law After Trial, and other documents, all of which are available to you at www.MALightsSettlement.com. You may also obtain further information regarding the Settlement on the settlement website, or by telephoning the Settlement Administrator toll-free at (844) 836-3605, or by emailing questions to the Settlement Administrator at claims@MALightsSettlement.com.

You may also contact Class Counsel with any questions by mail at Shapiro Haber & Urmy LLP, 2 Seaport Lane, Boston, MA 02210, by toll-free telephone at (800) 287-8119, or by email at shu@shulaw.com.

PLEASE DO NOT CALL OR WRITE THE COURT FOR INFORMATION OR LEGAL ADVICE.