



DEPARTMENT OF THE ATTORNEY GENERAL

**News Release**

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**HAWAII RECEIVES \$322,986 FROM \$55.4 MILLION IN TOBACCO  
SETTLEMENT WITH HOUSE OF PRINCE AND AFFILIATE**

(HONOLULU) - - Attorney General Mark Bennett announced today that Hawaii received \$322,986 under a \$55.4 million settlement reached with House of Prince A/S and Scandinavian Tobacco, S.I.A. to resolve a dispute over enforcement of the 1998 Master Settlement Agreement (MSA).

"I am pleased that the settlement of this long-standing dispute provides the State money it is owed and preserves the MSA's integrity," said Attorney General Bennett. "The MSA is primarily a public health agreement. It is important to enforce all provisions of the MSA to help reduce tobacco use and protect consumers from its deadly consequences."

The MSA requires tobacco manufacturers that signed the agreement to make annual payments to the states, in part to compensate the states for billions of dollars in health care costs associated with treating tobacco-related diseases under state Medicaid programs. House of Prince is a Participating Manufacturer under the MSA, and Scandinavian Tobacco is an affiliated entity.

The settlement resolved a three-year court dispute over whether cigarettes manufactured by Scandinavian Tobacco and sold in the United States from 1999-2003 were subject to the MSA's payment requirements and other obligations. No cigarettes manufactured by Scandinavian Tobacco have been sold in the United States since 2003.

The State of California filed a lawsuit in February 2003 to force House of Prince to make MSA payments for Scandinavian Tobacco's cigarettes. Assisted by other states, California won preliminary legal skirmishes. House of Prince subsequently entered settlement discussions that produced a national agreement with all jurisdictions that

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signed the MSA – 46 states, including Hawaii, four territories, Puerto Rico and Washington D.C.

Aside from its payment provisions, the MSA created a broad array of restrictions on the advertising, marketing and promotion of cigarettes. For example, it prohibits the targeting of youth in cigarette advertising. It also restricts outdoor advertising of cigarettes, the advertising of cigarettes in public transit facilities, and the use of cigarette brand names on merchandise, among other limitations.

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