

Kevin,

I hope this finds you well. I am writing with a quick update on the JUUL litigation.

By way of background, in January, you should have received an email from our co-counsel, William Shinoff (copied here), advising that a settlement in principle had been reached with Juul Labs, Inc. and its founders, directors and board members. The email further indicated that in order for the District to receive its share of compensation from the settlement fund, board approval was needed on or before April 3, 2023.

As is the case in all class actions of this size, a settlement administrator has been retained to handle, among other things, the logistics and coordination amongst the many plaintiffs. In this case, the administrator that was hired is Milestone. Unfortunately, due to a series of technical issues, Milestone has been unable to upload all of the necessary documents to the settlement portal. However, we were told earlier today that those issues have been resolved, and that at some point today or tomorrow, you will receive login credentials to access the portal. If you do not receive this by Friday, it is important that you promptly contact William and me.

Once you gain access to the portal, you will see a series of documents related to the settlement. This includes a comprehensive memorandum outlining the terms of the settlement, as well as a spreadsheet showing the amount of money that each government entity will receive as settlement compensation.

As shown on the spreadsheet, the District's share of the settlement fund is \$27,793. That amount will be paid in five installments, as follows: 62.5% in December 2023; 12.5% in December 2024; 12.5% in December 2025; and 12.5% in December 2026. Prior to each payment, you will be contacted by the settlement administrator and provided with an accounting. There is information provided on the settlement portal regarding the formula used for allocating the settlement amount amongst the class members. The formula is relatively simple insofar as the most relevant factors used by the settlement administrator to determine each district's share were: (1) total student population; (2) total high school student population; (3) number of buildings; (4) date of filing of lawsuit.

One important thing to keep in mind – The current settlement only includes Juul Labs, Inc. and its founders, directors and board members. Critically, it does not include Altria, which is one of the world's largest producers and marketers of e-cigarettes. As you may recall, Altria was also named as a defendant in this litigation. During settlement negotiations, Altria remained steadfast in its no liability position, and the first bellwether trial against them is scheduled to take place next month. Obviously, if the plaintiff is successful against Altria at trial, we anticipate an additional settlement down the road, which the District will be eligible to participate in. Although impossible to predict, it would not be surprising if an Altria settlement meets or exceeds the amount of the JUUL settlement.

Most importantly, the portal also contains two separate settlement documents that will need to be executed by the appropriate District representative. The first such document is a release which essentially provides that by accepting its share of the settlement fund, the District is voluntarily releasing any and all claims that it has or may have against Juul Labs, Inc. and its representatives. The other document that will need to be executed is a Settlement Letter which basically lays out the terms of the settlement.

Of course, the settlement documents cannot be executed without Board approval. So, although we did not cause or contribute to the delay in getting the portal up and running, the fact is that we need to obtain board approval at some point this month. To that end, to the extent you need any additional information about the settlement, and/or if you need us to prepare a written resolution for the Board's review and approval, please advise and we will be happy to do so.

We kindly ask that you confirm receipt of this email and let us know if you anticipate any potential hurdle to obtaining board approval at some point this month.

Thanks,
Dan

Daniel J. Pautz, Esq.

Member
Litigation
315.218.8153 Direct
315.218.8451 Fax
dpautz@bsk.com



One Lincoln Center, Syracuse, NY 13202-1355

This email is ONLY for the person(s) named in the message header. Unless otherwise indicated, it contains information that is confidential, privileged or exempt from disclosure under applicable law. If you have received it in error, please notify the sender of the error and delete the message.