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UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

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HER MAJESTY THE QUEEN IN RIGHT)	
OF ONTARIO, THE MINISTER OF)	
HEALTH AND LONG TERM CARE,)	APR 25 2000
)	
<i>Plaintiff,</i>)	00-CIV.1593 (NRB)
)	
IMPERIAL TOBACCO LIMITED, et al.,)	
)	
<i>Defendants.</i>)	
-----)	

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

-----)	
IN RE: TOBACCO/GOVERNMENTAL)	MDL Docket No. 1279
HEALTH CARE COSTS LITIGATION)	Misc. No.: 99-213
-----)	[ONTARIO CASE]

**ANSWER, AFFIRMATIVE DEFENSES, AND DEMAND FOR
JURY TRIAL OF DEFENDANT LORILLARD TOBACCO
COMPANY TO PLAINTIFF HER MAJESTY THE QUEEN IN
RIGHT OF ONTARIO, THE MINISTER OF HEALTH AND LONG
TERM CARE'S COMPLAINT AND DEMAND FOR JURY TRIAL**

COMES NOW Defendant Lorillard Tobacco Company ("Lorillard"), and for its Answer to Her Majesty the Queen in Right of Ontario, the Minister of Health and Long Term Care's ("Plaintiff") Complaint and Demand for Jury Trial ("Complaint"), states as follows:

PREFACE

The Complaint improperly mixes factual allegations with inflammatory rhetoric so as to make it difficult or virtually impossible to respond meaningfully. The Complaint also selectively recites statistics, scientific conclusions, technical discussions, and medical conclusions,

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meaningfully. Many of the allegations of the Complaint are vague, conclusory, or include terms which are undefined and which are susceptible of different meanings.

The Complaint also contains many purported quotations from a number of sources, many of which are unidentified. To the extent any of the quotations originate in documents protected by attorney-client privilege, the work product doctrine, and/or the joint defense privilege, Lorillard reserves the right to assert such privileges, hereby moves to strike such references, and demands return of any such documents that Plaintiff may have in its possession, custody, or control. The best evidence of the accuracy of any material quoted is the original source material from which it was quoted. In answering allegations consisting of quotations, admission that the material quoted was contained in a document or was uttered by the person or entity quoted shall not constitute an admission that the substantive content of the quote is or is not true or that the material is relevant or admissible in this action. These comments and objections are incorporated, to the extent appropriate, into each numbered paragraph of this Answer.

The Complaint improperly and repetitively refers to Lorillard and certain other Defendants on a collective basis, failing to plead with requisite particularity allegations against Lorillard or other Defendants. Intentionally ambiguous pleading is improper and insufficient to apprise Lorillard in any meaningful sense of the allegations asserted against it. Lorillard has nevertheless attempted to respond to Plaintiff's allegations to the extent possible under the circumstances. To the extent allegations refer to the knowledge, conduct, or actions of other Defendants, Lorillard would generally be without sufficient knowledge or information to form a belief as to the truth of these allegations and, therefore, Lorillard would deny those allegations. Lorillard states that it is answering Plaintiff's allegations on behalf of itself only, even when Plaintiff's allegations refer to alleged conduct by Lorillard and other persons or entities. Lorillard

denies each and every allegation of the Complaint, except as specifically herein admitted, qualified, or otherwise answered, and any factual averment admitted is admitted only as to the specific facts and not as to any conclusions, characterizations, implications, innuendo, or speculation contained in any averment or in the Complaint as a whole. Moreover, Lorillard specifically denies any allegations contained in headings, prayers for relief, or unnumbered paragraphs in the Complaint.

ANSWER

1. Lorillard admits that Plaintiff purports to seek various forms of relief in this lawsuit based on various alleged causes of action, but denies that Plaintiff is entitled to the relief described in paragraph 1 or any relief whatsoever. Lorillard denies the remaining allegations of paragraph 1.

2. Lorillard denies the existence of, or any participation in, any alleged "conspiracy," and therefore, denies the allegations of paragraph 2.

3. Lorillard denies the existence of, or any participation in, any alleged "conspiracy," and therefore, denies the allegations of paragraph 3.

4. To the extent the allegations of paragraph 4 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 4.

5. Lorillard denies the existence of, or any participation in, any alleged "conspiracy," and therefore, denies the allegations of paragraph 5.

6. Lorillard denies the existence of, or any participation in, any alleged "conspiracy," and therefore, denies the allegations of paragraph 6.

7. Lorillard denies the existence of, or any participation in, any alleged "conspiracy," and therefore, denies the allegations of paragraph 7.

8. To the extent the allegations of paragraph 8 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 8.

9. Lorillard denies the existence of, or any participation in, any alleged "conspiracy," and therefore, denies the allegations of paragraph 9.

10. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the allegations of the first sentence of paragraph 10, and on that basis denies those allegations. Lorillard denies the existence of, or any participation in, any alleged "conspiracy," and therefore, denies the remaining allegations of paragraph 10.

11. Lorillard admits that Plaintiff purports to make its allegations, "other than those of mail and wire fraud" upon information and belief, but denies that Plaintiff is entitled to any relief whatsoever. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 11, and on that basis denies those allegations.

12. Lorillard admits the allegations of the first sentence of paragraph 12. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 12, and on that basis denies those allegations.

13. To the extent the allegations of paragraph 13 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 13.

14. To the extent the allegations of paragraph 14 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 14.

15. To the extent the allegations of paragraph 15 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 15.

16. To the extent the allegations of paragraph 16 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 16.

17. To the extent the allegations of paragraph 17 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 17.

18. To the extent the allegations of paragraph 18 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 18.

19. To the extent the allegations of paragraph 19 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information

sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 19.

20. To the extent the allegations of paragraph-20 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 20.

21. To the extent the allegations of paragraph 21 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 21.

22. To the extent the allegations of paragraph 22 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 22.

23. To the extent the allegations of paragraph 23 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 23.

24. To the extent the allegations of paragraph 24 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 24.

25. To the extent the allegations of paragraph 25 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 25.

26. To the extent the allegations of paragraph 26 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 26.

27. To the extent the allegations of paragraph 27 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 27.

28. To the extent the allegations of paragraph 28 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 28.

29. To the extent the allegations of paragraph 29 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 29.

30. To the extent the allegations of paragraph 30 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information

sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 30.

31. To the extent the allegations of paragraph 31 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 31.

32. Lorillard admits that it is a Delaware corporation with its principal place of business in Greensboro, North Carolina. Lorillard admits that it designs and manufactures cigarettes which are marketed and sold throughout the United States, but denies that it currently designs or manufactures cigarettes for sale in Ontario. Lorillard denies the remaining allegations of paragraph 32.

33. Lorillard admits that Lorillard, Inc. is a Delaware corporation with its principal place of business in Wilmington, Delaware. Lorillard admits that Lorillard Tobacco Company (but not Lorillard, Inc.) designs and manufactures cigarettes which are marketed and sold throughout the United States, but denies that Lorillard Tobacco Company or Lorillard, Inc. currently designs or manufactures cigarettes for sale in Ontario. Lorillard denies the remaining allegations of paragraph 33.

34. Lorillard admits that Loews Corporation is a Delaware corporation with its principal place of business in New York, New York. Lorillard denies the remaining allegations of paragraph 34.

35. To the extent the allegations of paragraph 35 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information

sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 35.

36. Upon information and belief, Lorillard states that The Council for Tobacco Research—U.S.A., Inc., formerly known as the Tobacco Industry Research Committee, is a New York not-for-profit corporation with its principal place of business in New York, New York that was dissolved under the New York Not-For-Profit Corporation Law on November 6, 1998, and is currently winding up its affairs. Lorillard denies the remaining allegations of paragraph 36.

37. Upon information and belief, Lorillard states that The Tobacco Institute, Inc. is a New York not-for-profit corporation with its principal place of business in Washington, D.C., but states that The Tobacco Institute, Inc. has ceased operations and is in the process of dissolution and winding up its affairs. Lorillard denies the remaining allegations of paragraph 37.

38. To the extent the allegations of paragraph 38 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that Plaintiff alleges violations of 18 U.S.C. § 1961, and thus invokes the subject matter jurisdiction of this court, but Lorillard denies that it has committed violations of 18 U.S.C. § 1961 or any other law as defined by statute or common law, and denies that Plaintiff is entitled to the relief described in paragraph 38 or any relief whatsoever. Lorillard denies the remaining allegations of paragraph 38.

39. Lorillard admits that Plaintiff purports to base its allegations of proper venue on 28 U.S.C. § 1391 and 18 U.S.C. § 1965, but denies that venue is proper in this district, and expressly reserves the right to seek a transfer of venue. Lorillard denies the remaining allegations of paragraph 39.

40. To the extent the allegations of paragraph 40 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that certain executives from tobacco companies provided testimony in April 1994 before the Subcommittee on Health and the Environment of the Committee on Energy and Commerce. Lorillard admits that paragraph 40 purports to reference and characterize this testimony. Lorillard states that the complete and precise language of the testimony can be ascertained from the official transcript of the testimony itself. To the extent the allegations of paragraph 40 mischaracterize or take out of context the language of the testimony, Lorillard denies the allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the testimony. Lorillard denies the remaining allegations of paragraph 40.

41. To the extent the allegations of paragraph 41 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that certain executives from tobacco companies provided testimony in April 1994 before the Subcommittee on Health and the Environment of the Committee on Energy and Commerce. Lorillard admits that paragraph 41 purports to reference and characterize this testimony. Lorillard states that the complete and precise language of the testimony can be ascertained from the official transcript of the testimony itself. To the extent the allegations of paragraph 41 mischaracterize or take out of context the language of the testimony, Lorillard denies the allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the testimony. Lorillard denies the remaining allegations of paragraph 41.

42. To the extent the allegations of paragraph 42 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 42 purports to reference and characterize certain alleged studies, analyses, or reports. Lorillard states that the complete and precise content of the alleged studies, analyses, or reports can be ascertained from the studies, analyses, or reports themselves. To the extent the allegations of paragraph 42 mischaracterize or take out of context the alleged studies, analyses, or reports, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged studies, analyses, or reports. Lorillard denies the remaining allegations of paragraph 42.

43. To the extent the allegations of paragraph 43 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard states that there were meetings at the Plaza Hotel in December 1953, and that representatives of certain Defendants in this action (or their predecessor entities) were present at certain of the meetings. Lorillard denies the remaining allegations of paragraph 43.

44. To the extent the allegations of paragraph 44 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 44 purports to reference, quote, and characterize an alleged Hill & Knowlton memorandum. Lorillard states that the complete and precise content of the alleged memorandum can be ascertained from the memorandum itself. To the extent the allegations of paragraph 44 mischaracterize, misquote, or take out of context the language of the alleged

memorandum, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged memorandum. Lorillard denies the remaining allegations of paragraph 44.

45. To the extent the allegations of paragraph 45 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 45 purports to reference, quote, and characterize an alleged Hill & Knowlton memorandum. Lorillard states that the complete and precise content of the alleged memorandum can be ascertained from the memorandum itself. To the extent the allegations of paragraph 45 mischaracterize, misquote, or take out of context the language of the alleged memorandum, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged memorandum. Lorillard denies the remaining allegations of paragraph 45, including its subparts.

46. To the extent the allegations of paragraph 46 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 46 purports to reference, quote, and characterize an alleged Hill & Knowlton memorandum. Lorillard states that the complete and precise content of the alleged memorandum can be ascertained from the memorandum itself. To the extent the allegations of paragraph 46 mischaracterize, misquote, or take out of context the language of the alleged memorandum, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged memorandum. Lorillard denies the remaining allegations of paragraph 46.

47. Lorillard states that some time after December 15, 1953, the Tobacco Industry Research Committee ("TIRC") was created by certain tobacco companies, including certain of the Defendants in this action (or their predecessor entities). Lorillard admits that Liggett joined the TIRC in 1964 and that the TIRC changed its name to the Council for Tobacco Research ("CTR") in 1964. Lorillard also admits that the United States Surgeon General issued its first report on smoking and health in 1964. Lorillard further admits that The Tobacco Institute, Inc. ("TI"), a trade association that, like other trade associations, engaged in certain activities protected by the First Amendment to the United States Constitution, was formed in 1958. Lorillard denies the remaining allegations of paragraph 47.

48. To the extent the allegations of paragraph 48 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 48 purports to reference and characterize certain alleged "representations" of Defendants. Lorillard states that the complete and precise content of the alleged "representations" can be ascertained from the "representations" themselves. To the extent the allegations of paragraph 48 mischaracterize or take out of context the alleged "representations," Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged "representations." Lorillard states that it has only those duties imposed by applicable law. Lorillard denies the remaining allegations of paragraph 48.

49. Lorillard admits that on or about January 4, 1954, a statement captioned "A Frank Statement to Cigarette Smokers" was published in certain newspapers. Lorillard is without knowledge or information sufficient to form a belief regarding the "circulation" of the statement, and therefore denies that allegation. Lorillard admits that paragraph 49 purports to quote from,

characterize, and/or reference the statement captioned "A Frank Statement to Cigarette Smokers." Lorillard states that the complete and precise language of the statement can be ascertained from the statement itself. To the extent paragraph 49 mischaracterizes, misquotes, or takes the language of the alleged statement out of context, Lorillard denies the allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the statement. Lorillard denies the remaining allegations of paragraph 49.

50. Lorillard admits that paragraph 50 purports to quote and characterize the "Frank Statement." Lorillard states that the complete and precise content of the "Frank Statement" can be ascertained from the "Frank Statement" itself. To the extent the allegations of paragraph 50 mischaracterize, misquote, or take out of context the language of the "Frank Statement," Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the "Frank Statement." Lorillard denies the remaining allegations of paragraph 50.

51. To the extent the allegations of paragraph 51 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 51 purports to reference, quote, and characterize an alleged Hill & Knowlton report. Lorillard states that the complete and precise content of the alleged report can be ascertained from the report itself. To the extent the allegations of paragraph 51 mischaracterize, misquote, or take out of context the language of the alleged report, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged report. Lorillard denies the remaining allegations of paragraph 51.

52. To the extent the allegations of paragraph 52 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 52 purports to reference, quote, and characterize an alleged writing of H.B. Parmele. Lorillard states that the complete and precise content of the alleged writing can be ascertained from the writing itself. To the extent the allegations of paragraph 52 mischaracterize, misquote, or take out of context the language of the alleged writing, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged writing. Lorillard denies the remaining allegations of paragraph 52.

53. To the extent the allegations of paragraph 53 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 53 purports to reference and characterize certain alleged tobacco industry documents. Lorillard states that the complete and precise content of the alleged documents can be ascertained from the documents themselves. To the extent the allegations of paragraph 53 mischaracterize or take out of context the alleged documents, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged documents. Lorillard acknowledges that statistical evidence has shown that cigarette smoking is a risk factor for certain chronic diseases and further acknowledges that cigarette smoking may be a cause of certain of those diseases. Lorillard admits that it has stated that it does not believe that cigarette smoking has been scientifically proven to be the cause of any such disease. Lorillard denies the remaining allegations of paragraph 53.

54. Lorillard admits that paragraph 54 purports to reference, quote, and characterize an alleged memorandum. Lorillard states that the complete and precise content of the alleged memorandum can be ascertained from the memorandum itself. To the extent the allegations of paragraph 54 mischaracterize, misquote, or take out of context the language of the alleged memorandum, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged memorandum. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 54, and on that basis denies those allegations.

55. Lorillard admits that paragraph 55 purports to reference, quote, and characterize an unidentified "conclusion" of an unidentified person or entity. Lorillard states that the complete and precise content of the alleged "conclusion" can be ascertained from the "conclusion" itself. To the extent the allegations of paragraph 55 mischaracterize, misquote, or take out of context the language of the alleged "conclusion," Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged "conclusion." Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 55, and on that basis denies those allegations.

56. To the extent the allegations of paragraph 56 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 56 purports to reference, quote, and characterize certain unidentified documents or statements. Lorillard states that the complete and precise content of the alleged documents or statements can be ascertained from the documents or statements themselves. To the extent the allegations of paragraph 56 mischaracterize, misquote, or take out of context the

language of the alleged documents or statements, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged documents or statements. Lorillard denies the remaining allegations of paragraph 56.

57. To the extent the allegations of paragraph 57 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 57 purports to reference, quote, and characterize an alleged memorandum. Lorillard states that the complete and precise content of the alleged memorandum can be ascertained from the memorandum itself. To the extent the allegations of paragraph 57 mischaracterize, misquote, or take out of context the language of the alleged memorandum, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged memorandum. Lorillard acknowledges that statistical evidence has shown that cigarette smoking is a risk factor for certain chronic diseases, and further acknowledges that cigarette smoking may be a cause of certain of those diseases. Lorillard denies the remaining allegations of paragraph 57.

58. Lorillard admits that paragraph 58 purports to reference, quote, and characterize an alleged "report." Lorillard states that the complete and precise content of the alleged "report" can be ascertained from the "report" itself. To the extent the allegations of paragraph 58 mischaracterize, misquote, or take out of context the language of the alleged "report," Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged "report." Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 58, and on that basis denies those allegations.

59. Lorillard admits that paragraph 59 purports to reference, quote, and characterize an alleged "acknowledgment." Lorillard states that the complete and precise content of the alleged "acknowledgment" can be ascertained from the "acknowledgment" itself. To the extent the allegations of paragraph 59 mischaracterize, misquote, or take out of context the language of the alleged "acknowledgment," Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged "acknowledgment." Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 59, and on that basis denies those allegations.

60. Lorillard admits that paragraph 60 purports to reference, quote, and characterize an alleged memorandum. Lorillard states that the complete and precise content of the alleged memorandum can be ascertained from the memorandum itself. To the extent the allegations of paragraph 60 mischaracterize, misquote, or take out of context the language of the alleged memorandum, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged memorandum. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 60, and on that basis denies those allegations.

61. Lorillard admits that paragraph 61 purports to reference and characterize certain alleged "notes." Lorillard states that the complete and precise content of the alleged "notes" can be ascertained from the "notes" themselves. To the extent the allegations of paragraph 61 mischaracterize or take out of context the alleged "notes," Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged "notes." Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 61, and on that basis denies those allegations.

62. Lorillard admits that paragraph 62 purports to reference, quote, and characterize certain alleged "reports" and "recommendations." Lorillard states that the complete and precise content of the alleged reports and "recommendations" can be ascertained from the reports and "recommendations" themselves. To the extent the allegations of paragraph 62 mischaracterize, misquote, or take out of context the language of the alleged reports and "recommendations," Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged reports and "recommendations." Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 62, and on that basis denies those allegations.

63. To the extent the allegations of paragraph 63 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 63 purports to reference and/or to characterize "Frank Statement to Cigarette Smokers." Lorillard states that the complete and precise language of the "Frank Statement to Cigarette Smokers" can be ascertained from the statement itself. To the extent the allegations of paragraph 63 mischaracterize or take out of context the language of the statement, Lorillard denies the allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the statement. Lorillard denies the remaining allegations of paragraph 63.

64. Lorillard admits that paragraph 64 purports to reference, quote, and characterize certain alleged tobacco company communications to governmental entities. Lorillard states that the complete and precise content of the alleged communications can be ascertained from the communications themselves. To the extent the allegations of paragraph 64 mischaracterize,

misquote, or take out of context the language of the alleged communications, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged communications. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 64, and on that basis denies those allegations.

65. Lorillard admits that paragraph 65 purports to reference, quote, and characterize an alleged "statement." Lorillard states that the complete and precise content of the alleged "statement" can be ascertained from the "statement" itself. To the extent the allegations of paragraph 65 mischaracterize, misquote, or take out of context the language of the alleged "statement," Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged "statement." Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 65, and on that basis denies those allegations.

66. Lorillard admits that paragraph 66 purports to reference, quote, and characterize an alleged statement of an unidentified individual or entity. Lorillard states that the complete and precise content of the alleged statement can be ascertained from the statement itself. To the extent the allegations of paragraph 66 mischaracterize, misquote, or take out of context the language of the alleged statement, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged statement. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 66, and on that basis denies those allegations.

67. Lorillard admits that paragraph 67 purports to reference, quote, and characterize numerous alleged statements of Canadian companies. Lorillard states that the complete

and precise content of the alleged statements can be ascertained from the statements themselves. To the extent the allegations of paragraph 67 mischaracterize, misquote, or take out of context the language of the alleged statements, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged statements. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 67, and on that basis denies those allegations.

68. To the extent the allegations of paragraph 68 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 68 purports to reference, quote, and characterize certain alleged documents. Lorillard states that the complete and precise content of the alleged documents can be ascertained from the documents themselves. To the extent the allegations of paragraph 68 mischaracterize, misquote, or take out of context the language of the alleged documents, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged documents. Lorillard denies the remaining allegations of paragraph 68.

69. To the extent the allegations of paragraph 69 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 69 purports to reference and characterize certain alleged "representations." Lorillard states that the complete and precise content of the alleged "representations" can be ascertained from the "representations" themselves. To the extent the allegations of paragraph 69 mischaracterize or take out of context the alleged "representations,"

Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged "representations." Lorillard denies the remaining allegations of paragraph 69.

70. To the extent the allegations of paragraph 70 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 70.

71. To the extent the allegations of paragraph 71 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 71 purports to reference, quote, and characterize certain alleged documents. Lorillard states that the complete and precise content of the alleged documents can be ascertained from the documents themselves. To the extent the allegations of paragraph 71 mischaracterize, misquote, or take out of context the language of the alleged documents, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged documents. Lorillard denies the remaining allegations of paragraph 71.

72. To the extent the allegations of paragraph 72 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 72 purports to reference, quote, and characterize an alleged memorandum. To the extent the memorandum referred to in paragraph 72 is protected under the attorney-client privilege, the work product doctrine, and/or the joint defense privilege, Lorillard

states that any reference to the memorandum is improper and such memorandum should not be used in any manner. To the extent the allegations of paragraph 72 mischaracterize, misquote, or take out of context the language of the alleged memorandum, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged memorandum. Lorillard denies the remaining allegations of paragraph 72.

73. Lorillard denies the allegations of paragraph 73.

74. To the extent the allegations of paragraph 74 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 74.

75. To the extent the allegations of paragraph 75 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 75 purports to reference, quote, and characterize certain alleged "notes." To the extent the "notes" referred to in paragraph 75 is protected under the attorney-client privilege, the work product doctrine, and/or the joint defense privilege, Lorillard states that any reference to the "notes" is improper and such "notes" should not be used in any manner. To the extent the allegations of paragraph 75 mischaracterize, misquote, or take out of context the language of the alleged "notes," Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged "notes." Lorillard denies the remaining allegations of paragraph 75.

76. To the extent the allegations of paragraph 76 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information

sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 76 purports to reference, quote, and characterize an alleged memorandum. To the extent the memorandum referred to in paragraph 76 is protected under the attorney-client privilege, the work product doctrine, and/or the joint defense privilege, Lorillard states that any reference to the memorandum is improper and such memorandum should not be used in any manner. To the extent the allegations of paragraph 76 mischaracterize, misquote, or take out of context the language of the alleged memorandum, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged memorandum. Lorillard denies the remaining allegations of paragraph 76.

77. Lorillard denies the allegations of paragraph 77.

78. Lorillard admits that paragraph 78 purports to reference, quote, and characterize an alleged memorandum. Lorillard states that the complete and precise content of the alleged memorandum can be ascertained from the memorandum itself. To the extent the allegations of paragraph 78 mischaracterize, misquote, or take out of context the language of the alleged memorandum, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged memorandum. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 78, and on that basis denies those allegations.

79. Lorillard admits that paragraph 79 purports to reference, quote, and characterize an alleged memorandum. Lorillard states that the complete and precise content of the alleged memorandum can be ascertained from the memorandum itself. To the extent the allegations of paragraph 79 mischaracterize, misquote, or take out of context the language of the alleged memorandum, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or

implication regarding the content or meaning of the alleged memorandum. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 79, and on that basis denies those allegations.

80. Lorillard admits that paragraph 80 purports to reference, quote, and characterize an alleged writing. Lorillard states that the complete and precise content of the alleged writing can be ascertained from the writing itself. To the extent the allegations of paragraph 80 mischaracterize, misquote, or take out of context the language of the alleged writing, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged writing. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 80, and on that basis denies those allegations.

81. Lorillard admits that paragraph 81 purports to reference, quote, and characterize various alleged memoranda or reports. Lorillard states that the complete and precise content of the alleged memoranda or reports can be ascertained from the memoranda or reports themselves. To the extent the allegations of paragraph 81 mischaracterize, misquote, or take out of context the language of the alleged memoranda or reports, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged memoranda or reports. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 81, and on that basis denies those allegations.

82. Lorillard admits that paragraph 82 purports to reference, quote, and characterize an alleged "policy." Lorillard states that the complete and precise content of the alleged "policy" can be ascertained from the "policy" itself. To the extent the allegations of paragraph 82

mischaracterize, misquote, or take out of context the language of the alleged "policy," Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged "policy." Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 82, and on that basis denies those allegations.

83. Lorillard admits that paragraph 83 purports to reference, quote, and characterize an alleged "statement." Lorillard states that the complete and precise content of the alleged "statement" can be ascertained from the "statement" itself. To the extent the allegations of paragraph 83 mischaracterize, misquote, or take out of context the language of the alleged "statement," Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged "statement." Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 83, and on that basis denies those allegations.

84. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 84, and on that basis denies those allegations.

85. Lorillard admits that paragraph 85 purports to reference, quote, and characterize an alleged memorandum. Lorillard states that the complete and precise content of the alleged memorandum can be ascertained from the memorandum itself. To the extent the allegations of paragraph 85 mischaracterize, misquote, or take out of context the language of the alleged memorandum, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged memorandum. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 85, and on that basis denies those allegations.

86. Lorillard admits that paragraph 86 purports to reference, quote, and characterize an alleged writing. Lorillard states that the complete and precise content of the alleged writing can be ascertained from the writing itself. To the extent the allegations of paragraph 86 mischaracterize, misquote, or take out of context the language of the alleged writing, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged writing. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 86, and on that basis denies those allegations.

87. Lorillard admits that paragraph 87 purports to reference, quote, and characterize an alleged memorandum. Lorillard states that the complete and precise content of the alleged memorandum can be ascertained from the memorandum itself. To the extent the allegations of paragraph 87 mischaracterize, misquote, or take out of context the language of the alleged memorandum, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged memorandum. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 87, and on that basis denies those allegations.

88. Lorillard admits that paragraph 88 purports to reference, quote, and characterize an alleged memorandum. Lorillard states that the complete and precise content of the alleged memorandum can be ascertained from the memorandum itself. To the extent the allegations of paragraph 88 mischaracterize, misquote, or take out of context the language of the alleged memorandum, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged memorandum. Lorillard is without

knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 88, and on that basis denies those allegations.

89. Lorillard admits that paragraph 89 purports to reference, quote, and characterize an alleged memorandum. Lorillard states that the complete and precise content of the alleged memorandum can be ascertained from the memorandum itself. To the extent the allegations of paragraph 89 mischaracterize, misquote, or take out of context the language of the alleged memorandum, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged memorandum. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 89, and on that basis denies those allegations.

90. Lorillard admits that paragraph 90 purports to reference, quote, and characterize an alleged writing. Lorillard states that the complete and precise content of the alleged writing can be ascertained from the writing itself. To the extent the allegations of paragraph 90 mischaracterize, misquote, or take out of context the language of the alleged writing, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged writing. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 90, and on that basis denies those allegations.

91. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 91, and on that basis denies those allegations.

92. To the extent the allegations of paragraph 92 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those

allegations. Lorillard admits that it conducted research regarding the identification of chemical constituents in cigarette smoke and fractionization of cigarette smoke condensate and that it conducted research regarding the reduction of certain chemical constituents in cigarette smoke. Lorillard also admits that cigarette smoke contains chemical compounds, many in trace amounts, and that some studies have claimed that certain of these chemical compounds can be carcinogenic in some quantities in animals or humans. Lorillard further admits that it has stated its belief that it has not been scientifically proven that any such chemical compounds are carcinogenic in humans in the quantities inhaled in cigarette smoke. Lorillard denies the remaining allegations of paragraph 92.

93. To the extent the allegations of paragraph 93 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 93 purports to reference and/or to characterize certain unidentified "industry documents." Lorillard states that the complete and precise language of the alleged documents can be ascertained from the documents themselves. To the extent the allegations of paragraph 93 mischaracterize or take out of context the language of the alleged documents, Lorillard denies the allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged documents. Lorillard admits that it conducted research regarding the identification of chemical constituents in cigarette smoke and fractionization of cigarette smoke condensate and that it conducted research regarding the reduction of certain chemical constituents in cigarette smoke. Lorillard also admits that cigarette smoke contains chemical compounds, many in trace amounts, and that some studies have claimed that certain of these chemical compounds can be carcinogenic in some quantities in animals or humans. Lorillard denies the remaining allegations of paragraph 93.

94. Lorillard admits that paragraph 94 purports to reference, quote, and characterize alleged "conclusions." Lorillard states that the complete and precise content of the alleged "conclusions" can be ascertained from the "conclusions" themselves. To the extent the allegations of paragraph 94 mischaracterize, misquote, or take out of context the language of the alleged "conclusions," Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged "conclusions." Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 94, and on that basis denies those allegations.

95. To the extent the allegations of paragraph 95 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 95 purports to quote, reference, and characterize a memorandum allegedly authored by an attorney from the law firm of Shook, Hardy & Bacon. Lorillard states that the memorandum referred to in paragraph 95 is protected under the work product doctrine. Any reference to the memorandum is improper and should be stricken from the record, and the memorandum must be returned. Lorillard denies the remaining allegations of paragraph 95.

96. Lorillard admits that paragraph 96 purports to reference, quote, and characterize an alleged memoranda and documents. Lorillard states that the complete and precise content of the alleged memoranda and documents can be ascertained from the memoranda and documents themselves. To the extent the allegations of paragraph 96 mischaracterize, misquote, or take out of context the language of the alleged memoranda and documents, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged memoranda and documents. Lorillard is without knowledge or information

sufficient to form a belief as to the truth of the remaining allegations of paragraph 96, and on that basis denies those allegations.

97. Lorillard admits that paragraph 97 purports to reference, quote, and characterize an alleged "presentation." Lorillard states that the complete and precise content of the alleged "presentation" can be ascertained from the "presentation" itself. To the extent the allegations of paragraph 97 mischaracterize, misquote, or take out of context the language of the alleged "presentation," Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged "presentation." Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 97, and on that basis denies those allegations.

98. Lorillard admits that paragraph 98 purports to reference, quote, and characterize certain alleged "observations." Lorillard states that the complete and precise content of the alleged "observations" can be ascertained from the "observations" themselves. To the extent the allegations of paragraph 98 mischaracterize, misquote, or take out of context the language of the alleged "observations," Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged "observations." Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 98, and on that basis denies those allegations.

99. Lorillard admits that paragraph 99 purports to reference, quote, and characterize an alleged "presentation." Lorillard states that the complete and precise content of the alleged "presentation" can be ascertained from the "presentation" itself. To the extent the allegations of paragraph 99 mischaracterize, misquote, or take out of context the language of the alleged "presentation," Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or

implication regarding the content or meaning of the alleged "presentation." Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 99, and on that basis denies those allegations.

100. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 100, and on that basis denies those allegations.

101. To the extent the allegations of paragraph 101 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard acknowledges that statistical evidence has shown that cigarette smoking is a risk factor for certain chronic diseases, and further acknowledges that cigarette smoking may be a cause of certain of those diseases. Lorillard admits that it has stated that it does not believe that cigarette smoking has been scientifically proven to be the cause of any such disease. Lorillard denies the remaining allegations of paragraph 101.

102. To the extent the allegations of paragraph 102 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard acknowledges that, in recent years, the term "addictive" has been used to describe a broad range of repetitive pleasurable activities, including cigarette smoking. Lorillard does not believe, however, that cigarette smokers cannot reach and carry out a decision to quit smoking. Lorillard admits that it has stated its belief that the nicotine in cigarette smoke is not "addictive" under a traditional pharmacological definition of that term. Lorillard denies the remaining allegations of paragraph 102.

103. To the extent the allegations of paragraph 103 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard acknowledges that, in recent years, the term "addictive" has been used to describe a broad range of repetitive pleasurable activities, including cigarette smoking. Lorillard does not believe, however, that cigarette smokers cannot reach and carry out a decision to quit smoking. Lorillard denies the remaining allegations of paragraph 103.

104. To the extent the allegations of paragraph 104 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 104 purports to reference, quote, and characterize numerous alleged documents or statements. Lorillard states that the complete and precise content of the alleged documents or statements can be ascertained from the documents or statements themselves. To the extent the allegations of paragraph 104 mischaracterize, misquote, or take out of context the language of the alleged documents or statements, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged documents or statements. Lorillard acknowledges that, in recent years, the term "addictive" has been used to describe a broad range of repetitive pleasurable activities, including cigarette smoking. Lorillard does not believe, however, that cigarette smokers cannot reach and carry out a decision to quit smoking. Lorillard denies the remaining allegations of paragraph 104, including its subparts.

105. To the extent the allegations of paragraph 105 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or

information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 105.

106. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 106, and on that basis denies those allegations.

107. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 107, and on that basis denies those allegations.

108. Lorillard admits that paragraph 108 purports to reference, quote, and characterize certain alleged statements. Lorillard states that the complete and precise content of the alleged statements can be ascertained from the statements themselves. To the extent the allegations of paragraph 108 mischaracterize, misquote, or take out of context the language of the alleged statements, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged statements. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 108, and on that basis denies those allegations.

109. Lorillard admits that paragraph 109 purports to reference and characterize certain alleged "letters" and "telexes." Lorillard states that the complete and precise content of the alleged "letters" and "telexes" can be ascertained from the "letters" and "telexes" themselves. To the extent the allegations of paragraph 109 mischaracterize or take out of context the alleged "letters" and "telexes," Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged "letters" and "telexes." Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 109, and on that basis denies those allegations.

110. To the extent the allegations of paragraph 110 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 110.

111. To the extent the allegations of paragraph 111 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 111 purports to reference and characterize certain alleged documents. Lorillard states that the complete and precise content of the alleged documents can be ascertained from the documents themselves. To the extent the allegations of paragraph 111 mischaracterize or take out of context the alleged documents, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged documents. Lorillard denies the remaining allegations of paragraph 111.

112. Lorillard admits that paragraph 112 purports to reference, quote, and characterize an alleged writing or statement of an unidentified person or entity. Lorillard states that the complete and precise content of the alleged writing or statement can be ascertained from the writing or statement itself. To the extent the allegations of paragraph 112 mischaracterize, misquote, or take out of context the language of the alleged writing or statement, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged writing or statement. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 112, and on that basis denies those allegations.

113. Lorillard admits that paragraph 113 purports to reference, quote, and characterize an alleged "report." Lorillard states that the complete and precise content of the alleged "report" can be ascertained from the "report" itself. To the extent the allegations of paragraph 113 mischaracterize, misquote, or take out of context the language of the alleged "report," Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged "report." Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 113, and on that basis denies those allegations.

114. Lorillard admits that paragraph 114 purports to reference, quote, and characterize an alleged "report." Lorillard states that the complete and precise content of the alleged "report" can be ascertained from the "report" itself. To the extent the allegations of paragraph 114 mischaracterize, misquote, or take out of context the language of the alleged "report," Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged "report." Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 114, and on that basis denies those allegations.

115. To the extent the allegations of paragraph 115 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard acknowledges that, in recent years, the term "addictive" has been used to describe a broad range of repetitive pleasurable activities, including cigarette smoking. Lorillard does not believe, however, that cigarette smokers cannot reach and carry out a decision to quit smoking. Lorillard denies the remaining allegations of paragraph 115.

116. To the extent the allegations of paragraph 116 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 116.

117. Lorillard admits that paragraph 117 purports to reference, quote, and characterize certain alleged writings or statements of the "B.A.T. group companies." Lorillard states that the complete and precise content of the alleged writings or statements can be ascertained from the writings or statements themselves. To the extent the allegations of paragraph 117 mischaracterize, misquote, or take out of context the language of the alleged writings or statements, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged writings or statements. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 117, and on that basis denies those allegations.

118. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 118, and on that basis denies those allegations.

119. To the extent the allegations of paragraph 119 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 119.

120. To the extent the allegations of paragraph 120 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 120 purports to reference and characterize certain

unidentified statements. Lorillard states that the complete and precise language of the alleged statements can be ascertained from the statements themselves. To the extent the allegations of paragraph 120 mischaracterize or take out of context the language of the alleged statements, Lorillard denies the allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged statements. Lorillard admits that it has stated that nicotine is an important factor in the taste and other subjective characteristics of its cigarettes. Lorillard denies the remaining allegations of paragraph 120.

121. To the extent the allegations of paragraph 121 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 121 purports to reference and characterize certain unidentified patents. Lorillard states that the complete and precise language of the alleged patents can be ascertained from the patents themselves. To the extent the allegations of paragraph 121 mischaracterize or take out of context the language of the alleged patents, Lorillard denies the allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged patents. Lorillard denies the remaining allegations of paragraph 121.

122. To the extent the allegations of paragraph 122 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 122 purports to reference, quote, and characterize certain alleged indices or patents. Lorillard states that the complete and precise content of the alleged indices or patents can be ascertained from the indices or patents themselves. To the extent the allegations of paragraph 122 mischaracterize, misquote, or take out of context the language of

the alleged indices or patents, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged indices or patents. Lorillard acknowledges that, in recent years, the term "addictive" has been used to describe a broad range of repetitive pleasurable activities, including cigarette smoking. Lorillard does not believe, however, that cigarette smokers cannot reach and carry out a decision to quit smoking. Lorillard acknowledges that statistical evidence has shown that cigarette smoking is a risk factor for certain chronic diseases, and that cigarette smoking may be a cause of certain of those diseases. Lorillard denies the remaining allegations of paragraph 122.

123. To the extent the allegations of paragraph 123 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 123 purports to reference, quote, and characterize an alleged "report." Lorillard states that the complete and precise content of the alleged "report" can be ascertained from the "report" itself. To the extent the allegations of paragraph 123 mischaracterize, misquote, or take out of context the language of the alleged "report," Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged "report." Lorillard denies the remaining allegations of paragraph 123.

124. To the extent the allegations of paragraph 124 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 124 purports to reference and characterize certain alleged promotions and polls. Lorillard states that the complete and precise content of the alleged

promotions and polls can be ascertained from the promotions and polls themselves. To the extent the allegations of paragraph 124 mischaracterize or take out of context the alleged promotions and polls, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged promotions and polls. Lorillard denies the remaining allegations of paragraph 124.

125. Lorillard admits that paragraph 125 purports to reference, quote, and characterize an alleged B.A.T. Group document. Lorillard states that the complete and precise content of the alleged document can be ascertained from the document itself. To the extent the allegations of paragraph 125 mischaracterize, misquote, or take out of context the language of the alleged document, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged document. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 125, and on that basis denies those allegations.

126. Lorillard admits that paragraph 126 purports to reference, quote, and characterize an alleged Imperial document. Lorillard states that the complete and precise content of the alleged document can be ascertained from the document itself. To the extent the allegations of paragraph 126 mischaracterize, misquote, or take out of context the language of the alleged document, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged document. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 126, and on that basis denies those allegations.

127. Lorillard admits that paragraph 127 purports to reference, quote, and characterize an alleged Imperial document. Lorillard states that the complete and precise content

of the alleged document can be ascertained from the document itself. To the extent the allegations of paragraph 127 mischaracterize, misquote, or take out of context the language of the alleged document, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged document. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 127, and on that basis denies those allegations.

128. To the extent the allegations of paragraph 128 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard states that the tar and nicotine deliveries or yields of its commercial cigarettes are determined by the blend of tobaccos used in, and the design of, such cigarettes. Lorillard denies that it "controls" or "manipulates" the nicotine yield independently of the tar yield of its cigarettes. Lorillard denies the remaining allegations of paragraph 128.

129. To the extent the allegations of paragraph 129 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 129.

130. To the extent the allegations of paragraph 130 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 130.

131. Lorillard admits that paragraph 131 purports to reference, quote, and characterize certain alleged Congressional testimony and other statements. Lorillard states that the

complete and precise content of the alleged testimony or statements can be ascertained from the testimony or statements themselves. To the extent the allegations of paragraph 131 mischaracterize, misquote, or take out of context the language of the alleged testimony or statements, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged testimony or statements. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 131, and on that basis denies those allegations.

132. Lorillard admits that paragraph 132 purports to reference and characterize certain alleged affidavits. Lorillard states that the complete and precise content of the alleged affidavits can be ascertained from the affidavits themselves. To the extent the allegations of paragraph 132 mischaracterize or take out of context the alleged affidavits, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged affidavits. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 132, and on that basis denies those allegations.

133. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the allegations of paragraph 133, and on that basis denies those allegations.

134. Lorillard admits that paragraph 134 purports to reference, quote, and characterize certain alleged statements or invoices. Lorillard states that the complete and precise content of the alleged statements and invoices can be ascertained from the statement or invoices themselves. To the extent the allegations of paragraph 134 mischaracterize, misquote, or take out of context the language of the alleged statements or invoices, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the

alleged statements or invoices. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 134, and on that basis denies those allegations.

135. To the extent the allegations of paragraph 135 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 135 purports to reference and characterize certain unidentified patents. Lorillard states that the complete and precise language of the alleged patents can be ascertained from the patents themselves. To the extent the allegations of paragraph 135 mischaracterizes or take out of context the language of the alleged patents, Lorillard denies the allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged patents. Lorillard states that the tar and nicotine deliveries or yields of its commercial cigarettes are determined by the blend of tobaccos used in, and the design of, such cigarettes. Lorillard denies that it "controls" or "manipulates" the nicotine yield independently of the tar yield of its cigarettes. Lorillard denies the remaining allegations of paragraph 135.

136. To the extent the allegations of paragraph 136 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 136 purports to reference and characterize certain statistics and an R.J. Reynolds statement. Lorillard states that the complete and precise content of the alleged statistics or statement can be ascertained from the statistical source or statement themselves. To the extent the allegations of paragraph 136 mischaracterize or take out of context the meaning of the alleged statistics or statement, Lorillard denies those allegations. Lorillard further

denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged statistics or statement. Lorillard acknowledges that statistical evidence has shown that cigarette smoking is a risk factor for certain chronic diseases and further acknowledges that cigarette smoking may be a cause of certain of those diseases. Lorillard acknowledges that, in recent years, the term "addictive" has been used to describe a broad range of repetitive pleasurable activities, including cigarette smoking. Lorillard does not believe, however, that cigarette smokers cannot reach and carry out a decision to quit smoking. Lorillard denies the remaining allegations of paragraph 136.

137. To the extent the allegations of paragraph 137 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 137 purports to reference, quote, and characterize numerous alleged "internal documents." Lorillard states that the complete and precise content of the alleged documents can be ascertained from the documents themselves. To the extent the allegations of paragraph 137 mischaracterize, misquote, or take out of context the language of the alleged documents, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged documents. Lorillard denies the remaining allegations of paragraph 137, including its subparts.

138. To the extent the allegations of paragraph 138 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that it advertises its products to smokers who are of legal age, but denies Plaintiff's characterization or implication regarding such advertising. Lorillard denies the remaining allegations of paragraph 138.

139. To the extent the allegations of paragraph 139 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 139 purports to reference, quote, and characterize an alleged memorandum. Lorillard states that the complete and precise content of the alleged memorandum can be ascertained from the memorandum itself. To the extent the allegations of paragraph 139 mischaracterize, misquote, or take out of context the language of the alleged memorandum, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged memorandum. Lorillard admits that it advertises its products to smokers who are of legal age, but denies Plaintiff's characterization or implication regarding such advertising. Lorillard denies the remaining allegations of paragraph 139.

140. To the extent the allegations of paragraph 140 refer to the knowledge, conduct, or actions of Defendants other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that it advertises its products to smokers who are of legal age, but denies Plaintiff's characterization or implication regarding such advertising. Lorillard acknowledges that, in recent years, the term "addictive" has been used to describe a broad range of repetitive pleasurable activities, including cigarette smoking. Lorillard does not believe, however, that cigarette smokers cannot reach and carry out a decision to quit smoking. Lorillard denies the remaining allegations of paragraph 140.

141. To the extent the allegations of paragraph 141 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies

those allegations. Lorillard admits that it advertises its products to smokers who are of legal age, but denies Plaintiff's characterization or implication regarding such advertising. Lorillard denies the remaining allegations of paragraph 141.

142. Lorillard denies the existence of, or any participation in, any alleged "conspiracy," and therefore, denies the allegations of paragraph 142.

143. To the extent the allegations of paragraph 143 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 143 purports to reference, quote, and characterize an alleged "report." Lorillard states that the complete and precise content of the alleged "report" can be ascertained from the "report" itself. To the extent the allegations of paragraph 143 mischaracterize, misquote, or take out of context the language of the alleged "report," Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged "report." Lorillard denies the remaining allegations of paragraph 143.

144. To the extent the allegations of paragraph 144 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 144 purports to reference, quote, and characterize an alleged "report." Lorillard states that the complete and precise content of the alleged "report" can be ascertained from the "report" itself. To the extent the allegations of paragraph 144 mischaracterize, misquote, or take out of context the language of the alleged "report," Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the

content or meaning of the alleged "report." Lorillard denies the remaining allegations of paragraph 144.

145. To the extent the allegations of paragraph 145 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 145 purports to reference, quote, and characterize an alleged "report." Lorillard states that the complete and precise content of the alleged "report" can be ascertained from the "report" itself. To the extent the allegations of paragraph 145 mischaracterize, misquote, or take out of context the language of the alleged "report," Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged "report." Lorillard denies the remaining allegations of paragraph 145.

146. To the extent the allegations of paragraph 146 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 146 purports to reference, quote, and characterize an alleged Tobacco Research Council document or statement. Lorillard states that the complete and precise content of the alleged document or statement can be ascertained from the document or statement itself. To the extent the allegations of paragraph 146 mischaracterize, misquote, or take out of context the language of the alleged document or statement, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged document or statement. Lorillard denies the remaining allegations of paragraph 146.

147. Lorillard admits that paragraph 147 purports to reference, quote, and characterize alleged document written by an attorney of the law firm Shook, Hardy & Bacon. To the extent the document referred to in paragraph 147 is protected under the attorney-client privilege, the work product doctrine, and/or the joint defense privilege, Lorillard states that any reference to the document is improper and such document should not be used in any manner. To the extent the allegations of paragraph 147 mischaracterize, misquote, or take out of context the language of the alleged document, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged document. Lorillard denies the remaining allegations of paragraph 147.

148. To the extent the allegations of paragraph 148 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 148 purports to reference, quote, and characterize an alleged memorandum. To the extent the alleged memorandum referred to in paragraph 148 is protected under the attorney-client privilege, the work product doctrine, and/or the joint defense privilege, Lorillard states that any reference to the memorandum is improper and such memorandum should not be used in any manner. To the extent the allegations of paragraph 148 mischaracterize, misquote, or take out of context the language of the alleged memorandum, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged memorandum. Lorillard denies the remaining allegations of paragraph 148.

149. To the extent the allegations of paragraph 149 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies

those allegations. Lorillard admits that paragraph 149 purports to reference, quote, and characterize an alleged "internal tobacco industry document." To the extent the document referred to in paragraph 149 is protected under the attorney-client privilege, the work product doctrine; and/or the joint defense privilege, Lorillard states that any reference to the document is improper and such document should not be used in any manner. To the extent the allegations of paragraph 149 mischaracterize, misquote, or take out of context the language of the alleged document, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged document. Lorillard denies the remaining allegations of paragraph 149.

150. To the extent the allegations of paragraph 150 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 150.

151. To the extent the allegations of paragraph 151 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 151 purports to reference, quote, and characterize an alleged letter. To the extent the letter referred to in paragraph 151 is protected under the attorney-client privilege, the work product doctrine, and/or the joint defense privilege, Lorillard states that any reference to the letter is improper and such letter should not be used in any manner. To the extent the allegations of paragraph 151 mischaracterize, misquote, or take out of context the language of the alleged letter, Lorillard denies those allegations. Lorillard further denies Plaintiff's

innuendo or implication regarding the content or meaning of the alleged letter. Lorillard denies the remaining allegations of paragraph 151.

152. To the extent the allegations of paragraph 152 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 152 purports to reference, quote, and characterize an alleged memorandum. To the extent the alleged memorandum referred to in paragraph 152 is protected under the attorney-client privilege, the work product doctrine, and/or the joint defense privilege, Lorillard states that any reference to the memorandum is improper and such memorandum should not be used in any manner. To the extent the allegations of paragraph 152 mischaracterize, misquote, or take out of context the language of the alleged memorandum, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged memorandum. Lorillard denies the remaining allegations of paragraph 152.

153. To the extent the allegations of paragraph 153 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 153 purports to reference, quote, and characterize an alleged letter. To the extent the alleged letter referred to in paragraph 153 is protected under the attorney-client privilege, the work product doctrine, and/or the joint defense privilege, Lorillard states that any reference to the letter is improper and such letter should not be used in any manner. To the extent the allegations of paragraph 153 mischaracterize, misquote, or take out of context the language of the alleged letter, Lorillard denies those allegations. Lorillard further denies Plaintiff's

innuendo or implication regarding the content or meaning of the alleged letter. Lorillard denies the remaining allegations of paragraph 153.

154. To the extent the allegations of paragraph 154 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 154.

155. To the extent the allegations of paragraph 155 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 155 purports to reference, quote, and characterize an alleged article. Lorillard states that the complete and precise content of the alleged article can be ascertained from the article itself. To the extent the allegations of paragraph 155 mischaracterize, misquote, or take out of context the language of the alleged article, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged article. Lorillard denies the remaining allegations of paragraph 155.

156. To the extent the allegations of paragraph 156 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 156 purports to reference, quote, and characterize an alleged letter. To the extent the alleged letter referred to in paragraph 156 is protected under the attorney-client privilege, the work product doctrine, and/or the joint defense privilege, Lorillard states that any reference to the letter is improper and such letter should not be used in any manner. To the extent the allegations of paragraph 156 mischaracterize, misquote, or take out of context the

language of the alleged letter, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged letter. Lorillard denies the remaining allegations of paragraph 156.

157. To the extent the allegations of paragraph 157 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 157 purports to reference, quote, and characterize an alleged document written by an unidentified person or entity. To the extent the alleged document referred to in paragraph 157 is protected under the attorney-client privilege, the work product doctrine, and/or the joint defense privilege, Lorillard states that any reference to the document is improper and such document should not be used in any manner. To the extent the allegations of paragraph 157 mischaracterize, misquote, or take out of context the language of the alleged document, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged document. Lorillard denies the remaining allegations of paragraph 157.

158. To the extent the allegations of paragraph 158 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 158 purports to reference, quote, and characterize an alleged statement of Curtis Judge. Lorillard states that the complete and precise content of the alleged statement can be ascertained from the statement itself. To the extent the allegations of paragraph 158 mischaracterize, misquote, or take out of context the language of the alleged statement, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or

implication regarding the content or meaning of the alleged statement. Lorillard denies the remaining allegations of paragraph 158.

159. To the extent the allegations of paragraph 159 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that from time to time outside counsel for Lorillard attended meetings of the Committee of Counsel. Lorillard denies the remaining allegations of paragraph 159.

160. To the extent the allegations of paragraph 160 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 160 purports to reference, quote, and characterize certain alleged "notes." To the extent the alleged "notes" referred to in paragraph 160 are protected under the attorney-client privilege, the work product doctrine, and/or the joint defense privilege, Lorillard states that any reference to the "notes" is improper and such "notes" should not be used in any manner. To the extent the allegations of paragraph 160 mischaracterize, misquote, or take out of context the language of the alleged "notes," Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged "notes." Lorillard denies the remaining allegations of paragraph 160.

161. To the extent the allegations of paragraph 161 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 161 purports to reference, quote, and characterize an alleged "summary" of J. Kendrick Wells. To the extent the alleged "summary" referred to in

paragraph 161 is protected under the attorney-client privilege, the work product doctrine, and/or the joint defense privilege, Lorillard states that any reference to the "summary" is improper and such "summary" should not be used in any manner. To the extent the allegations of paragraph 161 mischaracterize, misquote, or take out of context the language of the alleged "summary," Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged "summary." Lorillard denies the remaining allegations of paragraph 161.

162. To the extent the allegations of paragraph 162 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 162 purports to reference, quote, and characterize an alleged "report." To the extent the alleged "report" referred to in paragraph 162 is protected under the attorney-client privilege, the work product doctrine, and/or the joint defense privilege, Lorillard states that any reference to the "report" is improper and such "report" should not be used in any manner. To the extent the allegations of paragraph 162 mischaracterize, misquote, or take out of context the language of the alleged "report," Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged "report." Lorillard denies the remaining allegations of paragraph 162.

163. To the extent the allegations of paragraph 163 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 163 purports to reference, quote, and characterize an alleged memorandum. To the extent the alleged memorandum referred to in paragraph 163 is

protected under the attorney-client privilege, the work product doctrine, and/or the joint defense privilege, Lorillard states that any reference to the memorandum is improper and such memorandum should not be used in any manner. To the extent the allegations of paragraph 163 mischaracterize, misquote, or take out of context the language of the alleged memorandum, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged memorandum. Lorillard denies the remaining allegations of paragraph 163.

164. Lorillard admits that paragraph 164 purports to reference, quote, and characterize an alleged report. To the extent the alleged report referred to in paragraph 164 is protected under the attorney-client privilege, the work product doctrine, and/or the joint defense privilege, Lorillard states that any reference to the report is improper and such report should not be used in any manner. To the extent the allegations of paragraph 164 mischaracterize, misquote, or take out of context the language of the alleged report, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged report. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 164, and on that basis denies those allegations.

165. To the extent the allegations of paragraph 165 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 165 purports to reference, quote, and characterize an alleged document or statement of Covington & Burling. Lorillard states that the complete and precise content of the alleged document or statement can be ascertained from the document or statement itself. To the extent the allegations of paragraph 165 mischaracterize, misquote, or take out of context the language of the alleged document or statement, Lorillard denies those allegations.

Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged document or statement. Lorillard denies the remaining allegations of paragraph 165.

166. To the extent the allegations of paragraph 166 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 166.

167. Lorillard admits that paragraph 167 purports to reference, quote, and characterize certain alleged statements of B.A.T. Industries p.l.c. Lorillard states that the complete and precise content of the alleged statements can be ascertained from the statements themselves. To the extent the allegations of paragraph 167 mischaracterize, misquote, or take out of context the language of the alleged statements, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged statements. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 167, and on that basis denies those allegations.

168. Lorillard admits that paragraph 168 purports to reference, quote, and characterize certain alleged "guidelines." Lorillard states that the complete and precise content of the alleged "guidelines" can be ascertained from the "guidelines" themselves. To the extent the allegations of paragraph 168 mischaracterize, misquote, or take out of context the language of the alleged "guidelines," Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged "guidelines." Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 168, and on that basis denies those allegations.

169. Lorillard admits that paragraph 169 purports to reference, quote, and characterize an alleged "statement." Lorillard states that the complete and precise content of the alleged "statement" can be ascertained from the "statement" themselves. To the extent the allegations of paragraph 169 mischaracterize, misquote, or take out of context the language of the alleged "statement," Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged "statement." Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 169, and on that basis denies those allegations.

170. Lorillard admits that paragraph 170 purports to reference, quote, and characterize certain alleged "objectives." Lorillard states that the complete and precise content of the alleged "objectives" can be ascertained from the "objectives" themselves. To the extent the allegations of paragraph 170 mischaracterize, misquote, or take out of context the language of the alleged "objectives," Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged "objectives." Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 170, and on that basis denies those allegations.

171. Lorillard admits that paragraph 171 purports to reference, quote, and characterize certain alleged statements. Lorillard states that the complete and precise content of the alleged statements can be ascertained from the statements themselves. To the extent the allegations of paragraph 171 mischaracterize, misquote, or take out of context the language of the alleged statements, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged statements. Lorillard is without

knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 171, and on that basis denies those allegations.

172. To the extent the allegations of paragraph 172 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 172 purports to reference, quote, and characterize certain alleged press releases and other statements. Lorillard states that the complete and precise content of the alleged press releases and other statements can be ascertained from the press releases and other statements themselves. To the extent the allegations of paragraph 172 mischaracterize, misquote, or take out of context the language of the alleged press releases and other statements, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged press releases and other statements. Lorillard denies the remaining allegations of paragraph 172.

Count 1: Federal Racketeer Influenced & Corrupt Organizations Act Pursuant to Subsection 1964 for Violations of Subsection 1962(c)

173. Lorillard realleges and incorporates by reference its responses to paragraphs 1 through 172 of the Complaint.

174. Lorillard admits only that paragraph 174 purports to state a claim against Defendants under, and to quote from, 18 U.S.C. § 1961(3), but denies that Plaintiff is entitled to the relief described in paragraph 174 or any relief whatsoever. Lorillard denies the remaining allegations of paragraph 174.

175. Lorillard admits only that paragraph 175 purports to state a claim against Defendants under, and to quote from, 18 U.S.C. § 1961(4), but denies that Plaintiff is entitled to the

relief described in paragraph 175 or any relief whatsoever. Lorillard denies the remaining allegations of paragraph 175.

176. Lorillard denies the allegations of paragraph 176.

177. Lorillard denies that it formed or was a participant in an "enterprise" as that term is defined in 18 U.S.C. § 1961(4), and therefore, Lorillard denies the allegations of paragraph 177.

178. Lorillard denies any "pattern of racketeering activity" and denies that it formed or was a participant in an "enterprise" as that term is defined in 18 U.S.C. § 1961(4), and therefore, Lorillard denies the allegations of paragraph 178.

179. Lorillard denies that it formed or was a participant in an "enterprise" as that term is defined in 18 U.S.C. § 1961(4), and therefore, Lorillard denies the allegations of paragraph 179.

180. Lorillard denies that it formed or was a participant in an alleged "enterprise" as that term is defined in 18 U.S.C. § 1961(4), and therefore, Lorillard denies the allegations of paragraph 180.

181. Lorillard admits that paragraph 181 purports to reference, quote, and characterize an alleged "report." Lorillard states that the complete and precise content of the alleged "report" can be ascertained from the "report" itself. To the extent the allegations of paragraph 181 mischaracterize, misquote, or take out of context the language of the alleged "report," Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged "report." Lorillard denies that it formed or was a participant in an "enterprise" as that term is defined in 18 U.S.C. § 1961(4), and therefore, Lorillard denies the allegations of paragraph 187.

182. Lorillard denies that it formed or was a participant in an "enterprise" as that term is defined in 18 U.S.C. § 1961(4), and therefore, Lorillard denies the allegations of paragraph 182.

183. To the extent the allegations of paragraph 183 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 183 purports to reference, quote, and characterize an alleged memorandum. Lorillard states that the complete and precise content of the alleged memorandum can be ascertained from the memorandum itself. To the extent the allegations of paragraph 183 mischaracterize, misquote, or take out of context the language of the alleged memorandum, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged memorandum. Lorillard denies the remaining allegations of paragraph 183.

184. To the extent the allegations of paragraph 184 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 184 purports to reference, quote, and characterize numerous alleged advertisements, letters, and other assorted documents. To the extent the alleged advertisements, letters, and other assorted documents referred to in paragraph 184 are protected under the attorney-client privilege, the work product doctrine, and/or the joint defense privilege, Lorillard states that any reference to the alleged advertisements, letters, and other assorted documents is improper and such alleged advertisements, letters, and other assorted documents should not be used in any manner. To the extent the allegations of paragraph 184 mischaracterize,

misquote, or take out of context the language of the alleged advertisements, letters, and other assorted documents or statements, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged advertisements, letters, and other assorted documents or statements. Lorillard denies the remaining allegations of paragraph 184, including its subparts.

185. To the extent the allegations of paragraph 185 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 185.

186. To the extent the allegations of paragraph 186 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 186.

187. Lorillard denies that it formed an "enterprise" or was a participant in any "racketeering activities" as those terms are defined in 18 U.S.C. § 1961(4), and therefore, Lorillard denies the allegations of paragraph 187.

188. Lorillard denies the allegations of paragraph 188.

189. Lorillard denies that it formed an "enterprise" or was a participant in any "racketeering activities" as those terms are defined in 18 U.S.C. § 1961(4), and therefore, Lorillard denies the allegations of paragraph 189.

190. Lorillard admits only that paragraph 190 purports to state a claim against Defendants under 18 U.S.C. §§ 1964(c), 1962(c), but denies that Plaintiff is entitled to the relief

described in paragraph 190 or any relief whatsoever. Lorillard denies the remaining allegations of paragraph 190.

191. Lorillard denies that it was a participant in any "racketeering activity" as that phrase may be defined in 18 U.S.C. § 1962(c), and therefore, Lorillard denies the allegations of the first sentence of paragraph 191. Lorillard is without knowledge or information sufficient to form a belief as to the allegations of the second sentence of paragraph 191, and on that basis denies those allegations.

192. Lorillard denies that it was a participant in any "racketeering activity" as that phrase may be defined in 18 U.S.C. § 1962(c), and therefore, Lorillard denies the allegations of paragraph 192.

193. To the extent the allegations of paragraph 193 refer to the knowledge, conduct, or actions of Defendants other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard acknowledges that, in recent years, the term "addictive" has been used to describe a broad range of repetitive pleasurable activities, including cigarette smoking. Lorillard does not believe, however, that cigarette smokers cannot reach and carry out a decision to quit smoking. Lorillard acknowledges that statistical evidence has shown that cigarette smoking is a risk factor for certain chronic diseases, and further acknowledges that cigarette smoking may be a cause of certain of those diseases. Lorillard denies the remaining allegations of paragraph 193.

194. Lorillard admits that paragraph 194 purports to state relief requested by Plaintiff, but denies that Plaintiff is entitled to the relief described in paragraph 194 or any relief whatsoever. Lorillard denies the allegations of paragraph 194.

195. Lorillard denies the allegations of paragraph 195.

196. Lorillard admits that paragraph 196 purports to state relief requested by Plaintiff, but denies that Plaintiff is entitled to the relief described in paragraph 196 or any relief whatsoever. Lorillard denies the remaining allegations of paragraph 196.

197. Lorillard admits that paragraph 197 purports to state relief requested by Plaintiff, but denies that Plaintiff is entitled to the relief described in paragraph 197 or any relief whatsoever. Lorillard denies the remaining allegations of paragraph 197.

Count 2: Federal Racketeer Influenced and Corrupt Organizations Act Pursuant to Subsection 1964 for Violations of Subsection 1962(a).

198. Lorillard realleges and incorporates by reference its responses to paragraphs 1 through 197 of the Complaint.

199. Lorillard denies the allegations of paragraph 199.

200. Lorillard denies the allegations of paragraph 200.

201. Lorillard realleges and incorporates by reference its responses to paragraph 1 through 200. Lorillard denies that it formed or was a participant in a "pattern of racketeering activity" as that phrase may be defined in 18 U.S.C. § 1962(a), and therefore, Lorillard denies the allegations of paragraph 201.

202. Lorillard denies the allegations of paragraph 202.

203. Lorillard denies the allegations of paragraph 203.

204. Lorillard denies the allegations of paragraph 204.

205. Lorillard denies the allegations of paragraph 205.

206. Lorillard admits only that paragraph 206 purports to state a claim against Defendants under 18 U.S.C. §§ 1964(c), 1962(a), but denies that Plaintiff is entitled to the relief

described in paragraph 206 or any relief whatsoever. Lorillard denies the remaining allegations of paragraph 206.

207. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the allegations of the first sentence of paragraph 207, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 207.

208. Lorillard denies the allegations of paragraph 208.

209. Lorillard denies that it was a participant in any "racketeering activity" as that phrase may be defined in 18 U.S.C. § 1962(a), and therefore, Lorillard denies the allegations of paragraph 209.

210. Lorillard denies that it was a participant in any "racketeering activity" as that phrase may be defined in 18 U.S.C. § 1962(a), and therefore, Lorillard denies the allegations of paragraph 210.

211. Lorillard admits that paragraph 211 purports to state relief requested by Plaintiff, but denies that Plaintiff is entitled to the relief described in paragraph 211 or any relief whatsoever. Lorillard denies the remaining allegations of paragraph 211.

212. Lorillard denies the allegations of paragraph 212.

213. Lorillard admits that paragraph 213 purports to state relief requested by Plaintiff, but denies that Plaintiff is entitled to the relief described in paragraph 213 or any relief whatsoever. Lorillard denies the remaining allegations of paragraph 213.

214. Lorillard admits that paragraph 214 purports to state relief requested by Plaintiff, but denies that Plaintiff is entitled to the relief described in paragraph 214 or any relief whatsoever. Lorillard denies the remaining allegations of paragraph 214.

Count 3: Federal Racketeer Influenced and Corrupt Organizations Act Pursuant to Subsection 1964 for Violations of Subsection 1962(d)

215. Lorillard realleges and incorporates by reference its response to paragraphs 1 through 214 of the Complaint.

216. Lorillard denies the allegations of paragraph 216.

217. Lorillard denies the allegations of paragraph 217.

218. Lorillard denies the allegations of paragraph 218.

219. Lorillard denies that it formed an "enterprise" or was a participant in any "racketeering activity" as those terms are defined in 18 U.S.C. § 1961(4), and therefore, Lorillard denies the allegations of paragraph 219.

220. Lorillard denies the allegations of paragraph 220.

221. To the extent the allegations of paragraph 221 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies that it formed or was a participant in an "enterprise" as that term is defined in 18 U.S.C. § 1961(4), and therefore, Lorillard denies the remaining allegations of paragraph 221.

222. Lorillard denies that it formed or was a participant in an "enterprise" as that term is defined in 18 U.S.C. § 1961(4), and therefore, Lorillard denies the allegations of the last sentence of paragraph 222. Lorillard admits that Andrew H. Tisch has held positions at both Lorillard Tobacco Company and Loews Corporation. To the extent the remaining allegations of paragraph 222 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those

allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 222.

223. To the extent the allegations of paragraph 223 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 223 purports to reference and characterize certain alleged testimony. Lorillard states that the complete and precise content of the alleged testimony can be ascertained from the testimony itself. To the extent the allegations of paragraph 223 mischaracterize or take out of context the alleged testimony, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged testimony. Lorillard denies the remaining allegations of paragraph 223.

224. Lorillard admits that paragraph 224 purports to reference, quote, and characterize certain alleged documents. Lorillard states that the complete and precise content of the alleged documents can be ascertained from the documents themselves. To the extent the allegations of paragraph 224 mischaracterize, misquote, or take out of context the language of the alleged documents, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged documents. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 224, and on that basis denies those allegations.

225. To the extent the allegations of paragraph 225 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 225 purports to reference, quote, and characterize

an alleged letter. Lorillard states that the complete and precise content of the alleged letter can be ascertained from the letter itself. To the extent the allegations of paragraph 225 mischaracterize, misquote, or take out of context the language of the alleged letter, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged letter. Lorillard denies the remaining allegations of paragraph 225.

226. To the extent the allegations of paragraph 226 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 226 purports to reference, quote, and characterize certain alleged statements. Lorillard states that the complete and precise content of the alleged statements can be ascertained from the statements themselves. To the extent the allegations of paragraph 226 mischaracterize, misquote, or take out of context the language of the alleged statements, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged statements. Lorillard denies the remaining allegations of paragraph 226.

227. Lorillard admits that paragraph 227 purports to reference, quote, and characterize an alleged document. Lorillard states that the complete and precise content of the alleged document can be ascertained from the document itself. To the extent the allegations of paragraph 227 mischaracterize, misquote, or take out of context the language of the alleged document, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged document. Lorillard is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of paragraph 227, and on that basis denies those allegations.

228. To the extent the allegations of paragraph 228 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 228 purports to reference and characterize certain alleged "minutes" and "agendas." Lorillard states that the complete and precise content of the alleged "minutes" and "agendas" can be ascertained from the "minutes" and "agendas" themselves. To the extent the allegations of paragraph 228 mischaracterize or take out of context the alleged "minutes" and "agendas," Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged "minutes" and "agendas." Lorillard denies the remaining allegations of paragraph 228.

229. To the extent the allegations of paragraph 229 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 229 purports to reference, quote, and characterize certain alleged "notes." Lorillard states that the complete and precise content of the alleged "notes" can be ascertained from the "notes" themselves. To the extent the allegations of paragraph 229 mischaracterize, misquote, or take out of context the language of the alleged "notes," Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged "notes." Lorillard denies the remaining allegations of paragraph 229.

230. To the extent the allegations of paragraph 230 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that denies those

allegations. Lorillard admits that paragraph 230 purports to reference, quote, and characterize certain alleged statements. Lorillard states that the complete and precise content of the alleged statements can be ascertained from the statements themselves. To the extent the allegations of paragraph 230 mischaracterize, misquote, or take out of context the language of the alleged statements, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged statements. Lorillard denies the remaining allegations of paragraph 230.

231. To the extent the allegations of paragraph 231 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that denies those allegations. Lorillard admits that paragraph 231 purports to reference, quote, and characterize certain alleged observations and conclusions. Lorillard states that the complete and precise content of the alleged observations and conclusions can be ascertained from the observations and conclusions themselves. To the extent the allegations of paragraph 231 mischaracterize, misquote, or take out of context the language of the alleged observations and conclusions, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged observations and conclusions. Lorillard denies the remaining allegations of paragraph 231.

232. To the extent the allegations of paragraph 232 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard admits that paragraph 232 purports to reference, quote, and characterize certain alleged document and statements of R.J.R. Nabisco Inc. Lorillard states that the complete

and precise content of the alleged document and statements can be ascertained from the document and statements itself. To the extent the allegations of paragraph 232 mischaracterize, misquote, or take out of context the language of the alleged document and statements, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged document and statements. Lorillard denies the remaining allegations of paragraph 232.

233. Lorillard admits that paragraph 233 purports to reference and characterize certain alleged minutes. Lorillard states that the complete and precise content of the alleged minutes can be ascertained from the minutes themselves. To the extent the allegations of paragraph 233 mischaracterize, misquote, or take out of context the language of the alleged minutes, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged minutes. To the extent the remaining allegations of paragraph 233 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 233.

234. Lorillard denies the allegations of paragraph 234.

235. Lorillard admits that paragraph 235 purports to reference, quote, and characterize certain alleged memoranda. Lorillard states that the complete and precise content of the alleged memoranda can be ascertained from the memoranda themselves. To the extent the allegations of paragraph 235 mischaracterize, misquote, or take out of context the language of the alleged memoranda, Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged memoranda. To the extent the remaining allegations of paragraph 235 refer to the knowledge, conduct, or actions of persons or

entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 235.

236. Lorillard admits that paragraph 236 purports to reference, quote, and characterize certain alleged "recommendations." Lorillard states that the complete and precise content of the alleged "recommendations" can be ascertained from the "recommendations" themselves. To the extent the allegations of paragraph 236 mischaracterize, misquote, or take out of context the language of the alleged "recommendations," Lorillard denies those allegations. Lorillard further denies Plaintiff's innuendo or implication regarding the content or meaning of the alleged "recommendations." To the extent the remaining allegations of paragraph 236 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 236.

237. To the extent the allegations of paragraph 237 refer to the knowledge, conduct, or actions of persons or entities other than Lorillard, Lorillard is without knowledge or information sufficient to form a belief as to the truth of those allegations, and on that basis denies those allegations. Lorillard denies the remaining allegations of paragraph 237.

238. Lorillard admits only that paragraph 238 purports to state a claim against Defendants under 18 U.S.C. §§ 1964(c), 1962(d), but denies that Plaintiff is entitled to the relief described in paragraph 238 or any relief whatsoever. Lorillard denies the remaining allegations of paragraph 238.

239. Lorillard denies the allegations of paragraph 239.

240. Lorillard denies the allegations of paragraph 240.

241. Lorillard admits that paragraph 241 purports to state relief requested by Plaintiff, but denies that Plaintiff is entitled to the relief described in paragraph 241 or any relief whatsoever. Lorillard denies the remaining allegations of paragraph 241.

242. Lorillard denies the allegations of paragraph 242.

243. Lorillard admits that paragraph 243 purports to state relief requested by Plaintiff, but denies that Plaintiff is entitled to the relief described in paragraph 243 or any relief whatsoever. Lorillard denies the remaining allegations of paragraph 243.

244. Lorillard admits that paragraph 244 purports to state relief requested by Plaintiff, but denies that Plaintiff is entitled to the relief described in paragraph 244 or any relief whatsoever. Lorillard denies the remaining allegations of paragraph 244.

245. Lorillard admits that Plaintiff's "WHEREFORE" allegations purport to state the relief requested by Plaintiff, but denies that Plaintiff is entitled to any of the relief requested there, elsewhere in the Complaint, or to any relief whatsoever. Lorillard denies the remaining allegations of Plaintiff's "WHEREFORE" allegations.

246. Lorillard demands a trial by jury on all issues so triable.

AFFIRMATIVE DEFENSES

Plaintiff seeks to apply United States or New York law to the actions of Lorillard, without a determination of whether these bodies of law or the law of Ontario or Canada applies to Plaintiff's claims. Lorillard intends to rely upon, reserves its right to assert, and hereby pleads such other and related defenses as may become available in the event of a determination that the action, or some part thereof, is governed by the substantive law of a jurisdiction other than New York or a foreign country, or any other international substantive law.

FIRST AFFIRMATIVE DEFENSE

The Complaint fails to state, in whole or in part, a claim upon which relief can be granted, for various reasons, including but not limited to the fact that Lorillard does not sell, market, or advertise cigarettes or any other product in Ontario or Canada.

SECOND AFFIRMATIVE DEFENSE

Plaintiff's Complaint does not comport with FED. R. CIV. P. 8(a)(2), which requires a "short and plain statement of the claim showing that the pleader is entitled to relief," and FED. R. CIV. P. 8(e)(1), which requires that each "avermment of a pleading shall be simple, concise, and direct."

THIRD AFFIRMATIVE DEFENSE

Plaintiff's attempt to state claims for fraud, conspiracy, and RICO violations does not comport with FED. R. CIV. P. 9(b), which requires such claims to "be stated with particularity."

FOURTH AFFIRMATIVE DEFENSE

Plaintiff lacks capacity and has no authority or standing to bring some or all of the claims raised in this suit.

FIFTH AFFIRMATIVE DEFENSE

Plaintiff has improperly joined in one action what should be separate claims by separate plaintiffs in separate actions. All such misjoined claims and plaintiffs should be severed and/or tried separately pursuant to FED. R. CIV. P. 21 and 42.

SIXTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred, in whole or in part, because they violate the prohibition against splitting of claims.

SEVENTH AFFIRMATIVE DEFENSE

Plaintiff is limited, in whole or in part, to seeking recovery through subrogation for the reimbursement of medical, insurance, and/or other expenses it has paid on behalf of certain citizens.

EIGHTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred, in whole or in part, because the sale of tobacco products to adult consumers in Ontario or Canada is a legal activity.

NINTH AFFIRMATIVE DEFENSE

Plaintiff's claims fail, in whole or in part, because Plaintiff is not a real party in interest, as required by FED. R. CIV. P. 17.

TENTH AFFIRMATIVE DEFENSE

Plaintiff's claims, in whole or in part, violate Lorillard's procedural and substantive due process rights under the Constitutions of the United States or New York, or any other applicable constitutional provision, to the extent Plaintiff seeks damages without having to prove that use of Lorillard's tobacco products caused the illness of any particular individual whose medical, insurance, and/or other expenses were paid, in whole or in part, by Plaintiff.

ELEVENTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred, in whole or in part, because Plaintiff failed to give Lorillard proper or timely notice of any alleged defect or breach of warranty.

TWELFTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred, in whole or in part, by application of the *Noerr-Pennington* doctrine.

THIRTEENTH AFFIRMATIVE DEFENSE

Plaintiff's claims, in whole or in part, violate Lorillard's procedural and substantive due process rights under the Constitutions of the United States or New York, or any other applicable constitutional provision, to the extent Plaintiff seeks recovery for damages or injuries to others without affording Lorillard the right to confront and examine each person claiming injury.

FOURTEENTH AFFIRMATIVE DEFENSE

Plaintiff's claims, in whole or in part, violate Lorillard's procedural and substantive due process rights under the Constitutions of the United States or New York, or any other applicable constitutional provision, to the extent they attempt to deprive Lorillard of appropriate procedural and substantive safeguards, including common law defenses to liability.

FIFTEENTH AFFIRMATIVE DEFENSE

Plaintiff's claims, in whole or in part, violate Lorillard's right to jury guaranteed by the Constitutions of the United States or New York, or any other applicable constitutional provision, in that they deprive Lorillard of the right to have a jury determine whether it is responsible for the injuries of the individuals for whom Plaintiff claims to have paid medical costs.

SIXTEENTH AFFIRMATIVE DEFENSE

Plaintiff's claims for damages are the claims of others for whom Plaintiff has no authority to represent, thereby denying Lorillard and others due process and potentially imposing duplicative liability.

SEVENTEENTH AFFIRMATIVE DEFENSE

Plaintiff's claims against Lorillard are barred, in whole or in part, by the applicable statutes of limitations and/or repose.

EIGHTEENTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred, in whole or in part, by the doctrines of laches, waiver, estoppel, and/or ratification, or any similar doctrine.

NINETEENTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred, in whole or in part, by the doctrine of unclean hands, or any similar doctrine in law or in equity, in that Ontario permits, regulates, facilitates, and reaps tax revenues from the sale of cigarettes to its citizens.

TWENTIETH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred, in whole or in part, because Plaintiff has an adequate remedy at law.

TWENTY-FIRST AFFIRMATIVE DEFENSE

Plaintiff's claims are barred, in whole or in part, because if cigarettes manufactured and sold by Lorillard were smoked by Plaintiff's citizens, the cigarettes were at all material times consistent with available technological, medical, scientific, and industrial state of the art.

TWENTY-SECOND AFFIRMATIVE DEFENSE

Lorillard avers that it did not know, and in light of the existing reasonably available scientific and technological knowledge, could not have known of: (1) the design characteristics, in any, that allegedly caused the injuries and damages complained of herein or the alleged danger of such characteristics, or (2) any alternative design referred to by Plaintiff. Lorillard further avers that

any alternative design was not feasible, either scientifically or technologically, nor was one economically practical.

TWENTY-THIRD AFFIRMATIVE DEFENSE

Plaintiff's claims are barred because the alleged injuries for which it seeks to recover damages were allegedly caused by an inherent characteristic of cigarettes, which is a generic aspect of the product that cannot be eliminated without substantially compromising the product's usefulness or desirability, a fact that is recognized by the ordinary person with the ordinary knowledge common to the community.

TWENTY-FOURTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred, in whole or in part, by the voluntary assumption of the risk by Plaintiff and/or those citizens on whose behalf it paid medical, insurance, and/or other expenses.

TWENTY-FIFTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred to the extent that recovery is sought for purely economic loss.

TWENTY-SIXTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred, in whole or in part, because its alleged injuries and damages were proximately caused by the choice to smoke made by the individuals with respect to whom Plaintiff claims to have incurred medical, insurance, and/or other expenses.

TWENTY-SEVENTH AFFIRMATIVE DEFENSE

Any injuries allegedly suffered by Plaintiff and/or those citizens on whose behalf Plaintiff paid medical costs were caused, in whole or part, by the contributory or comparative negligence, fault, or failure to exercise reasonable care by Plaintiff and/or those citizens, and

Plaintiff's recovery, if any, must be reduced in proportion to the percentage of responsibility of Plaintiff and/or those citizens.

TWENTY-EIGHTH AFFIRMATIVE DEFENSE

Plaintiff lacks subject matter jurisdiction to assert the claims alleged in its Complaint.

TWENTY-NINTH AFFIRMATIVE DEFENSE

Plaintiff's recovery is barred, in whole or part, because Plaintiff and/or those on whose behalf Plaintiff paid medical costs failed to mitigate the alleged injuries or damages.

THIRTIETH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred, to the extent any individuals whose alleged medical expenses and other costs Plaintiff seeks to recover, have released, settled, entered into accords and satisfactions or otherwise compromised their claims.

THIRTY-FIRST AFFIRMATIVE DEFENSE

To the extent that Plaintiff and/or those on whose behalf Plaintiff paid medical costs have sustained any injuries or incurred any expenses, such injuries and expenses were caused, in whole or in part, by the acts or omissions of others for whose conduct Lorillard is not responsible.

THIRTY-SECOND AFFIRMATIVE DEFENSE

Plaintiff has failed to join the proper parties needed for the just adjudication of this suit as required by FED. R. CIV. P: 19, and, accordingly, Plaintiff's Complaint must be dismissed.

THIRTY-THIRD AFFIRMATIVE DEFENSE

While denying all averments of negligence, fault, or liability, and subject to such denial, Lorillard states that any damages awarded to Plaintiff should be set off against the revenues received by Ontario, directly or indirectly, as a result of the regulation, sale, and distribution of tobacco and cigarettes.

THIRTY-FOURTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred, in whole or in part, by the equal protection clause of the Constitutions of the United States or New York, or any other applicable constitutional provision, because Plaintiff has selectively prosecuted only particular Defendants within one industry, while not prosecuting other, similarly situated persons/entities.

THIRTY-FIFTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred, in whole or in part, because the cause of any injury allegedly sustained by Ontario is Ontario's or Canada's voluntary decision to pay the medical, insurance, and/or other expenses of certain of its citizens.

THIRTY-SIXTH AFFIRMATIVE DEFENSE

Plaintiff's claims, in whole or in part, violate Lorillard's procedural and substantive due process rights under the Constitutions of the United States or New York, or any other applicable constitutional provision, to the extent Plaintiff seeks to hold Lorillard liable retroactively for conduct that was not actionable at the time it occurred.

THIRTY-SEVENTH AFFIRMATIVE DEFENSE

Plaintiff's claims, in whole or in part, violate Lorillard's right to be free from retroactive or ex post facto laws as guaranteed by the Constitutions of the United States or New York, or any other applicable constitutional provision, to the extent Plaintiff seeks to hold Lorillard liable retroactively for conduct that was not actionable at the time it occurred.

THIRTY-EIGHTH AFFIRMATIVE DEFENSE

Plaintiff fails to state facts sufficient to entitle Plaintiff to an award of punitive damages against Lorillard.

THIRTY-NINTH AFFIRMATIVE DEFENSE

Plaintiff's claims for punitive damages are barred by the Excessive Fines and Penalties Clause of the Eighth Amendment to the United States Constitution, or any other applicable constitutional provision.

FORTIETH AFFIRMATIVE DEFENSE

Plaintiff's claim for punitive damages against Lorillard is barred, in whole or in part, because an award of punitive damages would violate Lorillard's due process rights and equal protection rights guaranteed by the Constitutions of the United States or New York, or any other applicable constitutional provision.

FORTY-FIRST AFFIRMATIVE DEFENSE

Plaintiff's claim for punitive damages against Lorillard cannot be sustained because an award of punitive damages under New York law by a jury that (1) is not provided constitutionally adequate standards of sufficient clarity for determining the appropriate imposition of, and the appropriate size of, an punitive damages award, (2) is not adequately instructed on the limits of punitive damages imposed by the applicable principles of deterrence and punishment, (3) is not expressly prohibited from awarding punitive damages, or determining the amount of an award of punitive damages, in whole or in part, on the basis of invidiously discriminatory characteristics, including without limitation the residence, wealth, and corporate status of Lorillard, (4) is permitted to award punitive damages under a standard for determining liability for punitive damages that is vague and arbitrary and does not define with sufficient clarity the conduct or mental state that makes punitive damages permissible, (5) is not properly instructed regarding Plaintiff's burden of proof with respect to each and every element of a claim for punitive damages, and (6) is not subject to trial

court and appellate judicial review for reasonableness and furtherance of legitimate purposes on the basis of constitutionally adequate and objective standards, would violate Lorillard's due process and equal protection rights guaranteed by the Fifth and Fourteenth Amendments to the United States Constitution, or any other applicable constitutional provision.

FORTY-SECOND AFFIRMATIVE DEFENSE

Plaintiff's claims for punitive damages cannot be sustained because the applicable laws regarding the standards for determining liability for and the amount of punitive damages fail to give Lorillard prior notice of the conduct for which punitive damages may be imposed and the severity of the penalty that may be imposed and are void for vagueness in violation of Lorillard's due process rights guaranteed by the Fifth and Fourteenth Amendments to the United States Constitution, or any other applicable constitutional provision.

FORTY-THIRD AFFIRMATIVE DEFENSE

Alternatively, Plaintiff's claim for punitive damages against Lorillard cannot be sustained because an award of punitive damages under New York law subject to no predetermined limits on the amount of punitive damages a court or jury may impose would violate Lorillard's due process rights guaranteed by the Constitutions of the United States or New York, or any other applicable constitutional provision.

FORTY-FOURTH AFFIRMATIVE DEFENSE

Plaintiff's claims for punitive damages against Lorillard cannot be sustained, because an award of punitive damages in this case, combined with any prior, contemporaneous or subsequent judgments against Lorillard for punitive damages arising out of the design, development, manufacture, fabrication, distribution, supply, marketing, sale, and/or use of Lorillard's products would constitute impermissible multiple punishments for the same wrong, in violation of Lorillard's

due process and equal protection rights guaranteed by the Fifth and Fourteenth Amendments to the United States Constitution, or any other applicable constitutional provision, and would constitute double jeopardy in violation of any applicable laws.

FORTY-FIFTH AFFIRMATIVE DEFENSE

Plaintiff's claim for punitive damages against Lorillard cannot be sustained because an award of punitive damages jointly and severally against some or all of the Defendants without specific apportionment among them based on the enormity of their misconduct violates Lorillard's due process and equal protection rights guaranteed by the Fifth and Fourteenth Amendments to the United States Constitution, or any other applicable constitutional provision.

FORTY-SIXTH AFFIRMATIVE DEFENSE

Plaintiff's claims for punitive damages against Lorillard cannot be sustained because any award of punitive damages under any applicable law, which would be penal in nature, without according Lorillard the same protections that are accorded to all criminal Defendants, including the protection against unreasonable searches and seizures, self-incrimination, and the right to confront adverse witnesses, a speedy trial, and the effective assistance of counsel, would violate Lorillard's rights guaranteed under the Fourth, Fifth, Sixth, and Fourteenth Amendments to the United States Constitution, or any other applicable constitutional provision.

FORTY-SEVENTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred because an award of punitive damages would constitute an impermissible burden on interstate commerce in violation of the Commerce Clause of Article I of the United States Constitution, or any other applicable constitutional provision.

FORTY-EIGHTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred to the extent that they seek the admission into evidence of Lorillard's net worth in determining whether punitive damages are to be awarded and/or in what amount they are to be awarded because punitive damages are a form of punishment that is grounded in a defendant's status rather than in specific misconduct, and has the effect of treating classes of citizens unequally in violation of the Equal Protection Clause of the Fifth and Fourteenth Amendments of the United States Constitution, or any other applicable constitutional provision.

FORTY-NINTH AFFIRMATIVE DEFENSE

Punitive damages are a form of criminal or quasi-criminal sanction, and any award of punitive damages against Lorillard would be a violation of Lorillard's rights under the Fourth, Fifth, Sixth, and Fourteenth Amendments to the United States Constitution, or any other applicable constitutional provision, unless Lorillard is afforded the safeguards guaranteed by those provisions as well as for the determination of the amount of punitive damages, if any.

FIFTIETH AFFIRMATIVE DEFENSE

Plaintiff's claim for punitive damages against Lorillard cannot be sustained because any award of punitive damages made under a process which fails to bifurcate the issue of punitive damages from the remaining issues would violate Lorillard's due process rights guaranteed by the Constitutions of the United States or New York, or any other applicable constitutional provision.

FIFTY-FIRST AFFIRMATIVE DEFENSE

Plaintiff's injuries or damages, if any, were proximately caused by intervening or superseding causes, and Plaintiff's recovery against Lorillard is thus barred.

FIFTY-SECOND AFFIRMATIVE DEFENSE

While denying at all times that any tobacco product alleged in Plaintiff's Complaint caused or contributed to the injuries or damages alleged by Plaintiff, and subject to such denial, Lorillard avers that Plaintiff and/or its citizens for whom Plaintiff allegedly paid medical, insurance, and/or other expenses were warned or otherwise made aware of the alleged dangers of the product and further, that any such dangers, if they existed, were not beyond that which would have been contemplated by an ordinary consumer of the product. Plaintiff, therefore, is barred from any recovery on the claims asserted.

FIFTY-THIRD AFFIRMATIVE DEFENSE

Plaintiff's claims are barred by the doctrine prohibiting remote claims.

FIFTY-FOURTH AFFIRMATIVE DEFENSE

Plaintiff's conspiracy claims are barred because the necessary predicate proof of a completed tort by the alleged principal tortfeasor(s) is lacking.

FIFTY-FIFTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred to the extent that the defenses of estoppel, laches, res judicata, statutes of limitations, assumption of risk, waiver, or any other defense would bar recovery by those individuals with respect to whom Plaintiff claims to have incurred medical, insurance, and/or other expenses.

FIFTY-SIXTH AFFIRMATIVE DEFENSE

To the extent Plaintiff's claims are based on an alleged duty to disclose the risks associated with cigarette smoking, such claims are barred because such risks, to the extent they exist, are and always have been commonly known.

FIFTY-SEVENTH AFFIRMATIVE DEFENSE

Plaintiff's fraud and misrepresentation claims cannot be sustained because Lorillard did not have superior knowledge of material facts pertaining to smoking and health that were not also readily available to Plaintiff, and/or those persons on whose behalf Plaintiff seeks to recover medical, insurance, and/or other expenses.

FIFTY-EIGHTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred, in whole or in part, because Plaintiff and/or those persons on whose behalf Plaintiff seeks to recover medical, insurance, and/or other expenses had the means of knowing, by the exercise of ordinary intelligence, the truth or real quality of the alleged statements concerning smoking and health.

FIFTY-NINTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred, in whole or in part, because Plaintiff's claims entail inquiry into the rule-making and other decision-making of a foreign government.

SIXTIETH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred, in whole or in part, by dormant commerce clause principles and because of the effect of Plaintiff's claims on foreign and interstate commerce.

SIXTY-FIRST AFFIRMATIVE DEFENSE

Plaintiff's claims are barred, in whole or in part, by the free public services doctrine, in that Plaintiff seeks to recover for health care expenditures it allegedly has made available to the public, but Plaintiff is not entitled to recover its governmental expenditures and should bear the costs of health care expenditures it undertook to make on behalf of its public.

SIXTY-SECOND AFFIRMATIVE DEFENSE

Plaintiff's claims must fail to the extent its purported damages, if any, were caused by pre-existing conditions of the individuals with respect to whom Plaintiff claims to have incurred medical, insurance, and other expenses.

SIXTY-THIRD AFFIRMATIVE DEFENSE

Plaintiff's claims are barred, in whole or in part, because this matter involves foreign impacts and effects on foreign nations.

SIXTY-FOURTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred, in whole or in part, by the Supremacy Clause of the United States Constitution, Art. VI, § 2, or any other applicable constitutional provision, because those claims are preempted and/or precluded by U.S. federal law, or any other applicable law, including but not limited to, the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331 *et seq.*

SIXTY-FIFTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred, in whole or in part, because of the lack of awareness of, and lack of reliance upon, the representations alleged by Plaintiff and by those persons on whose behalf Plaintiff seeks to recover medical, insurance, and/or other expenses.

SIXTY-SIXTH AFFIRMATIVE DEFENSE

Plaintiff's claims are barred, in whole or in part, because the Ontario government has not authorized the filing of this Complaint.

SIXTY-SEVENTH AFFIRMATIVE DEFENSE

Plaintiff's RICO claims are barred because Plaintiff has not been injured in its business or property because of a RICO violation, and/or because Plaintiff lacks RICO standing.

SIXTY-EIGHTH AFFIRMATIVE DEFENSE

Plaintiff's RICO claims are barred because they fail to identify a RICO "enterprise" separate and distinct from the Defendants themselves.

SIXTY-NINTH AFFIRMATIVE DEFENSE

Plaintiff's RICO claims are barred because Plaintiff cannot establish that Defendants used or invested any alleged income in a RICO "enterprise."

SEVENTIETH AFFIRMATIVE DEFENSE

Plaintiff's claims for punitive damages are barred to the extent that the claims rest upon alleged violations of the RICO statutes.

SEVENTY-FIRST AFFIRMATIVE DEFENSE

Plaintiff's claims are barred, in whole or in part, by § 402A of the Restatement (Second) of Torts, comment i.

FIRST RESERVATION OF RIGHTS

Lorillard adopts and incorporates by reference any affirmative defense asserted by any other defendant to this action to the extent that such affirmative defense applies to Lorillard, and reserves the right to amend this Answer to raise and rely upon any defenses that become available or apparent during discovery in this action.

DEFENSES TO FUTURE CLAIMS

Lorillard reserves the right to respond and assert defenses to all claims asserted (or reasserted) by Plaintiff at any future time, including in any amended pleading.

PRAYER FOR RELIEF

WHEREFORE, Lorillard respectfully requests and prays as follows:

1. That Plaintiff take nothing by its Complaint;

2. That this action be dismissed with prejudice as to Lorillard;
 3. That Lorillard recover its costs of suit, including reasonable attorney's fees;
- and
4. For such other relief as the Court deems just and proper.

JURY DEMAND

Lorillard demands trial by jury of all issues properly triable before a jury.

DATED: New York, New York
April 25, 2000

Respectfully Submitted,

By: 

Alan Mansfield (AM 3266)

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CERTIFICATE OF SERVICE

ROBERT J. KIRSHENBERG, under penalty of perjury, deposes and says:

1. I am employed in the County of New York, State of New York. I am over 18 years of age and I am not a party to the within action. My business address is 200 Park Avenue, New York, New York 10166.

2. On the 25th day of April, 2000, I served a copy of the foregoing ANSWER, AFFIRMATIVE DEFENSES, AND DEMAND FOR JURY TRIAL OF DEFENDANT LORILLARD TOBACCO COMPANY, by causing true copies thereof to be deposited in an official depository under the exclusive care and custody of the U.S. Postal Service within New York State, addressed to the following:

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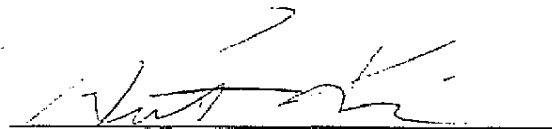
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3. I certify under penalty of perjury that the foregoing is true and correct.

Executed on April 25, 2000.


Robert J. Kirshenber (RK-1034)

00 Civ. 1593 (NRB)

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

HER MAJESTY THE QUEEN IN RIGHT OF
ONTARIO, THE MINISTER OF HEALTH
AND LONG TERM CARE,

Plaintiff,

v.

IMPERIAL TOBACCO LIMITED, *et al.*,

Defendants.

ANSWER, AFFIRMATIVE DEFENSES, AND
DEMAND FOR JURY TRIAL OF
DEFENDANT LORILLARD TOBACCO COMPANY

LAW OFFICES
GREENBERG TRAUBIC, LLP

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