October Newsletter – Part 1

September's Newsletter was our very first sent to our customers. Since we all get bombarded with emails and promotional material, Vape Chalet did not want to add to the frustration. However, due to the recent up tick of vaping in the news, we felt compelled to send you information. We apologize for September's length, but you have the right to be informed and be informed correctly.

October's newsletter has 2 parts. Why? Because there are many items that are time sensitive and need attention.

National update/news

We previously reported that 5 states have recently banned some and/or all vaping products. A mandate, enacted in New York by Governor Cuomo, stated recent lung illnesses are caused by vaping and therefore, a ban on flavored ecigarettes was to begin on Friday, October 5, 2019. Retailers who violate the ban would face fines of up to \$2000 per violation which is defined as each unit of flavored eliquid or product containing eliquid that is possessed, manufactured, sold, and/or offered for sale.

The Vapor Technology Association (VTA) and 2 vape companies filed a joint lawsuit against the New York mandate claiming a ban would cost them thousands of dollars, job layoffs, and eventual closure of business. Tony Abboud, VTA Executive Director, stated, "Not only will the state's arbitrary and misguided measure do nothing...it is one of the worst examples of government overreach". In addition, the ban would force consumers to discard harm reduction ecigarettes and return to smoking combustible cigarettes and/or obtain unregulated products. On Thursday, October 4 (the day before the ban was to take effect), the New York Supreme Court Appellate Division issued a Temporary Restraining Order (TRO). A hearing was set for October 18, to be heard by the Supreme Court, to address the preliminary injunction.

- To view VTA "motion for permission to appeal and for stay appending appeal" submitted to the New York Supreme Court, click HERE
- To view VTA response to NYDOH statement, "cannabis not nicotine cause of recent outbreak", click HERE

In Massachusetts, Governor Baker declared a public emergency and banned all online and retail sales of nicotine (flavored & non-flavored) and marijuana vaping products for 4 months (until Jan. 5, 2020). Non-compliance could result in fines, product seizures, or other penalties. The VTA, along with 4 vape companies, filed a lawsuit in U.S. District Court in Boston for damages being caused by the 4-month ban. In the complaint, they say the governor's ban "makes no distinction between the black-market vaping products at the center of (the) outbreak and the FDA-regulated products produced by legitimate manufacturers. And, while purporting to target the problem of youth vaping, the emergency order contains no provisions expressly directed at children. Instead, the emergency order implements a categorical ban on the sale or display of vaping products to all persons, threatening to destroy an entire industry and the livelihoods of Massachusetts citizens." The judge, assigned to the case, ruled against the TRO but did set an evidentiary hearing date, to rule on the preliminary injunction, for October 15. Until then, all vaping products are banned. We will have an update on this case in Part 2 of our newsletter.

States that have instituted similar bans (Rhode Island, Washington, & Michigan) will have lawsuits filed against them. Other states, such as Ohio & New Jersey, have issued guidelines discouraging the use of vaping products. We will give updates as information is made available to us.

Some cities and counties, such as Los Angeles County, have jumped on the bandwagon and instituted bans — claiming that vaping products are causing lung illnesses & death and should therefore be banned. With zero proof, they claim that kids are vaping because of flavored products and needs to be addressed - that nicotine vapes are causing lung illnesses and data from NYHS shows kids who are vaping are already smokers.

Meanwhile, in Utah, Health Department officials reported 94% (34/36) of lung illness patients admitted to vaping THC and declared nicotine vaping products are not the cause. Officials have however, ruled vaping products are to be sold only in licensed tobacco retailers (ie. vape shops). In addition, all non-specialty stores, including convenience and grocery stores, must discontinue sale of all vaping products within one week of the ruling.

To view Utah's ruling, click HERE

Federally, Committees on Capitol Hill have not yet ruled to ban vape products. Several lawmakers, with no evidence, still encourage a ban and falsely point to lung illnesses as well as flavored products are attracting kids.

On August 14, 2019, in a lawsuit, filed in the U.S. District Court in Maryland, VTA and Vapor Stockroom (VSR) intervened and filed a motion seeking a preliminary injunction against the Food & Drug Administration (FDA). The VTA and VSR requested, and FDA has agreed, an expedited briefing schedule on the motion. The court also allowed VTA & VSR to be added as plaintiffs in the case.

On September 10, 2019, VTA & VSR also filed a lawsuit against FDA, in the U.S. District Court, Eastern District of Kentucky, claiming the Pre-Market Tobacco Application (PMTA) process is unreasonable and grossly accelerated. A PMTA is the process all vape products must undergo and be approved for sale by FDA. FDA has recently changed the deadline date to May 2020.

- For more information on the case in Maryland, click HERE
- For more information on the case in Kentucky, click HERE

Local update/news

Recently, members of Maryland Vapors Alliance (MVA) met with Delegate Dereck Davis, Chairman of Economic Matters Committee in Maryland. Chairman Davis is getting pressure from "both sides" of the aisle and is open to hear arguments before presenting them to the Committee. Our team discussed means to end the rhetoric surrounding the reported lung illnesses across the U.S. and how to curb vaping minors.

Some suggestions offered were:

- 1. Confine vaping products to licensed & regulated vape stores only Reason: a quick FDA website search shows no violations of Maryland vape stores selling to minors in the past 12 months, all violations were from convenience stores, pharmacies, gas stations, etc.
- 2. Banning vape products will harm public health, not help it Reason: medical & scientific data prove vaping is a healthier alternative and more effective than other methods
- 3. Allow 21 years and older purchasing law to take effect.
- Reason: this law only went into effect on Oct 1 and time is needed to gauge what the affects will be, if any
- 4. Fines and/or community service for under-age users & fines and charges for those that purchase for minors Reason: kids are not victims and should be held accountable for their actions. Straw-purchasers "contribute to the delinquency of a minor" and should be fined and charges brought against them.

Other meetings are being scheduled with Maryland legislators and we will give an update once the information is made available to us.

Montgomery County is the first known county in Maryland to consider several anti-vaping bills. If you would like to attend and/or testify, the public hearing is November 5, 2019, 7:30pm, Council Office Building 100 Maryland Avenue Rockville, MD 20850.

What MORE can I do?

Don't give up!! Please continue to reach out to federal & local lawmakers. Tell them bans on legitimate vaping products are a detriment to public health and should be avoided. If you don't contact and inform them, who will?

To contact the White House, please click <u>HERE</u>
To find & contact your Federal Legislator, please click <u>HERE</u>
To find & contact your State Legislator, please click <u>HERE</u>

Events

October 7, 2019 was National Save Vaping Day. Businesses around the country were urged to donate a portion of their profits to <u>CASAA</u> and/or <u>AVA</u>. Vape Chalet has donated 10% of total sales from that day's sales report.

October 15, 2019 (Tuesday), Vape Chalet will donate all profits on vape liquid to MVA. We ask everyone to plan their liquid purchasing during this one-day event. MVA is the Maryland Chapter of VTA that deals with issues directly at the state and county levels here in Maryland.

November 9, 2019 (Saturday) is the *National Vape Rally*, organized by the United Vapers Alliance (<u>UVA</u>), in Washington DC. People from across the country will meet and march together for the right to keep vaping alive. Mark your calendar now to attend this important event.

- Time: 12p-4p
- Where: The Ellipse @ 1450 Pennsylvania Ave NW, Washington DC

50/50 RAFFLE

Vape Chalet & other MVA retailers across Maryland is conducting a raffle to help offset costs associated with the *National Vape Rally* event. On October 22, 2019, at the monthly MVA member meeting, all tickets will be combined, and 1 winning ticket will be drawn.

- Tickets: 1 for \$1, 6 for \$5, 15 for \$10
- Drawing: October 22 (held live on MVA Facebook page)
- Prize: 1 Grand Prize Winner will receive ½ the monies collected

Stay tuned for Part 2 of our newsletter. If you did not read or receive our previous newsletters, click HERE.