



TO: Our Retail Customers

SUBJECT: Counterfeit Coupon Alert

We have received notification from The Coupon Information Corporation “CIC” advising that a group of individuals have created high value counterfeit coupons and are selling/distributing these coupons via the internet. The counterfeit coupons can be downloaded from the internet and printed on home/office equipment. They are available for a variety of items (including cigarettes) and tend to share common characteristics including:

1. A SMARTSOURCE® Internet Print at Home Coupon format
2. Powered by SMARTSOURCE® and a SMARTSOURCE® watermark printed on the coupon.
3. Many, but not all, have a **12/31/2010** Expiration Date.
4. Several counterfeit coupons usually print on each page.
5. Coupons are typically high value, making the product free or almost free.
6. The remit to address is the CMS mailing address.
7. High quality images of the product on the far left of the coupon.
8. Some of the counterfeits will scan at a different value than stated.

A counterfeit \$4.00 off 1 pack of Newport coupon has been produced. A copy of that coupon has been attached for your review. Lorillard has never offered internet delivered print at home consumer coupons.

CIC is working with law enforcement to identify and prosecute the individuals involved. In addition, they are working with manufacturers, retail trade organizations and known internet coupon trading sites to alert all of the existence of these print at home counterfeit coupons. CIC is also tracking and maintaining a complete list of the identified counterfeit coupons. The list will be updated as additional counterfeit coupons are identified. This list is available on the CIC website using the following link:

<http://www.cents-off.com/doc/CounterfeitCouponAlertJanuary52010.pdf>

Please do not accept these counterfeit print at home coupons. They will not be reimbursed by CMS. Please notify your retail locations as necessary.

EXAMPLE OF COUNTERFEIT NEWPORT COUPON:

