

STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

IN RE: Amazon.com, Inc.

) CIVIL DIVISION
) Docket No. _____
)

ASSURANCE OF DISCONTINUANCE

Vermont Attorney General Charity R. Clark (“the Attorney General”) and Amazon.com, Inc. (“Respondent” or “Amazon”) (collectively, the “Parties”), hereby agree to this Assurance of Discontinuance (“Assurance”) pursuant to 9 V.S.A. § 2459.

REGULATORY FRAMEWORK

1. Vermont law provides that “[n]o person shall cause cigarettes, roll-your-own tobacco, little cigars, snuff, tobacco substitutes, substances containing nicotine or otherwise intended for use with a tobacco substitute, or tobacco paraphernalia, ordered or purchased by mail or through a computer network, telephonic network, or other electronic network, to be shipped to anyone other than a licensed wholesale dealer or retail dealer in this State.” 7 V.S.A. § 1010(b) (“Section 1010”).
2. A violation of Section 1010 is also an unfair or deceptive act or practice in commerce in violation of the Vermont Consumer Protection Act, Chapter 63 of Title 9 of the Vermont Statutes Annotated (the “CPA”). 7 V.S.A. § 1010(d)(5).
3. The Attorney General is charged with enforcing violations of Section 1010, as well as violations of the CPA. Each shipment of an item listed in 7 V.S.A. § 1010(b) constitutes a separate violation of that section and the CPA. 7 V.S.A. § 1010(d).
4. Violations of Section 1010 are subject to a civil penalty of up to \$5,000 per violation in addition to any other remedy provided by law. 7 V.S.A. § 1010(d)(2).

5. Violations of the CPA are subject to a civil penalty of up to \$10,000 for each unfair or deceptive act or practice. 9 V.S.A. § 2458(b)(1).

6. The Attorney General may also seek injunctive relief under both Section 1010 and the CPA. 7 V.S.A. § 1010(d)(3); 9 V.S.A. § 2458(a).

BACKGROUND

7. Amazon is organized under the laws of Delaware, with a place of business located at 410 Terry Ave. N, Seattle, WA, 98109.

8. Amazon operates Amazon.com, an online store where sellers can offer products for sale and customers can purchase them.

9. Amazon prohibits the offer and sale of e-cigarettes in its store. Amazon also uses a range of automated and manual compliance controls (“Tobacco Controls”) to identify and block the sale of e-cigarettes to customers in Vermont and works continuously to strengthen those controls based on a variety of inputs. Based on information from the Vermont Attorney General’s Office, Amazon strengthened and improved the Tobacco Controls.

10. Notwithstanding Amazon’s Tobacco Controls, between July 2019 and September 2024, certain e-cigarettes were purchased from third-party sellers in Amazon’s store and shipped to Vermont consumers.

11. Amazon admits the truth of the facts set forth in Paragraph 7-10.

12. The Attorney General contends that the conduct described in paragraph 10 violated Section 1010 and the CPA, 9 V.S.A. Chapter 63. Amazon contends that independent, third-party sellers caused the shipments described in paragraph 10 in violation of Amazon’s policies. To resolve this disagreement without litigation, the Parties agree to the relief set forth below.

INJUNCTIVE RELIEF

13. Amazon shall continue its efforts to identify sellers who evade its Tobacco Controls. Further to these efforts, beginning in January 2025 and continuing annually for four years, Amazon shall compile a list of sellers that it has identified as having intentionally evaded its Tobacco Controls by selling e-cigarettes to customers in Vermont in the prior calendar year (the "Vermont Evasive Seller List"). The Vermont Evasive Seller List shall include information about each evasive tobacco transaction engaged in by each seller to Vermont during the relevant year and the seller's contact information on file with Amazon. Amazon shall comply with any Civil Investigative Demand issued by the Attorney General seeking copies of the Vermont Evasive Seller List and shall maintain copies of such List for a period of six months after the Termination Date of this Assurance.

PAYMENT

13. Amazon shall make a payment to the State of Vermont of \$400,000. Amazon shall make payment to the State of Vermont within 30 days of the Effective Date of this Assurance by check or wire transfer to the State of Vermont in accordance with payment instructions to be provided to Amazon by the Attorney General.

OTHER TERMS

14. This Assurance shall be effective on the date it is signed by the Parties (the "Effective Date").

15. Amazon agrees that this Assurance shall be binding on it, and its successors and assigns.

16. The Attorney General hereby releases and discharges any and all claims arising under the Section 1010 and the CPA that it may have against Amazon for the conduct described in the Background section of this Assurance through the date of execution of this Assurance.

17. The Superior Court of the State of Vermont, Washington Unit, shall have jurisdiction over this Assurance and the Parties for the purpose of enabling the Attorney General to apply to this Court at any time for orders and directions as may be necessary or appropriate to enforce compliance with or to punish violations of this Assurance.

18. Acceptance of this Assurance by the Attorney General's Office shall not be deemed approval by the Attorney General of any practices or procedures of Amazon not required by this Assurance, and Amazon shall make no representation to the contrary.

19. Acceptance of this Assurance by Amazon shall not be deemed an admission of liability or of the Attorney General's allegations.

NOTICE

20. Amazon may be contacted at: regulatory-inquiries@amazon.com.

SIGNATURE

In lieu of instituting an action or proceeding against Amazon.com, Inc. for the conduct described above, the Attorney General, pursuant to 9 V.S.A. § 2459, accepts this Assurance. By signing below, Amazon voluntarily agrees with and submits to the terms of this Assurance.

DATED at Arlington ,VA, this 1 day of October, 2024.

Signed by:

Alexis Collins

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Authorized agent of Amazon.com, Inc.

ACCEPTED on behalf of the Attorney General:

DATED at Montpelier, Vermont, this 16th day of October, 2024.

STATE OF VERMONT

CHARITY R. CLARK
ATTORNEY GENERAL

By:

James Layman

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