



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Division of Advertising Practices

July 16, 2001

John C. Heironimus
President and Chief Executive Officer
BWTDirect
200 Brown & Williamson Tower
401 South Fourth Avenue
Louisville, KY 40202

File No. 012-3194

Dear Mr. Heironimus:

As you know, staff of the Federal Trade Commission ("FTC") has conducted an investigation of BWTDirect LLC ("BWT"). The purpose of this investigation was to determine whether BWT is in compliance with the health warning requirements of the Federal Cigarette Labeling and Advertising Act, 15 U.S.C. §§ 1331, *et seq.*, ("the Cigarette Act"). In particular, the inquiry concerned BWT's failure to include health warnings in cigarette advertisements that did not refer to a specific brand of cigarettes.

Staff has concluded that no further action is warranted by the Commission at this time and the inquiry has been closed. Among the factors we have considered is BWT's agreement to place health warnings in all future cigarette advertisements. Staff's action is not to be construed as a determination that a violation may not have occurred, just as the pendency of an investigation should not be construed as a determination that a violation has occurred. The Commission reserves the right to take such further action as the public interest may require.

Sincerely,

A handwritten signature in cursive script, appearing to read "C. Lee Peeler".

C. Lee Peeler
Associate Director
for Advertising Practices

cc: Susan Gernert, Esq.
Brown & Williamson
1500 Brown & Williamson Tower
Louisville, KY 40202