# IN THE COURT OF COMMON PLEAS HAMILTON COUNTY, OHIO

STATE OF OHIO ex rel.	)	
ATTORNEY GENERAL	)	
DAVE YOST	)	Case No: <b>A 2 4 0 3 0 3 4</b>
8040 Hosbrook Road, Suite 300	)	CODY = 11 =
Cincinnati, Ohio 45236	)	CLERK OF COUNTS HAMILTON COUNTS
	)	Judge:
Plaintiff,	)	JUL 0 9 2024
v.	)	
	)	COMMON PLEAS COURTS
ELEVATE SMOKE, LLC d/b/a	)	COMPLAINT AND REQUEST FOR COURTS
ELEV8 SMOKE SHOP	)	DECLARATORY JUDGMENT,
c/o OMAYR DAAS, Registered Agent	)	INJUNCTIVE RELIEF, CIVIL
8210 Paddington Ct.	)	PENALTIES, AND OTHER
West Chester, OH 45069	)	APPROPRIATE RELIEF
	)	
Defendant.	)	

# **PREAMBLE**

Electronic cigarettes, also known as "vapes," cannot be legally sold in the United States without authorization by the Food and Drug Administration (FDA). Although thousands of products are available in the domestic marketplace, the FDA has only authorized 27 products. Unauthorized vapes are being distributed and sold illegally in Ohio. An e-cigarette is a battery-powered device that uses an "e-liquid" that usually contains nicotine derived from tobacco, as well as other flavorings and ingredients, and which is heated to create an aerosol that is inhaled. Some e-cigarettes may look like conventional combusted cigarettes, cigars or pipes. Other products may resemble pens or USB flash drives. Larger devices and products may have reusable parts and can be recharged or filled and refilled with e-liquids that are packaged and sold separately or they may

be disposable and only used once. While often manufactured outside the United States, many of the products contain representations that their sale is "only allowed in the United States." These products pose a public health threat to our communities, putting our citizens, including our youth, at risk for addiction, breathing problems, and other harms.

As the chief law enforcement officer for the state, the Ohio Attorney General exercises the state's police and regulatory powers and has a duty to safeguard vulnerable populations and protect Ohio families, including safeguarding the health of its residents. One of the greatest threats to the health and welfare of our children is the epidemic of vape use. Vapes are the most used tobacco product among middle and high school students in the United States.<sup>2</sup> In 2023, 2.1 million (7.7%) students across the country used vapes. This group includes 550,000 (4.6%) middle school students and 1.56 million (10.0%) high school students.<sup>3</sup> In Ohio, the prevalence of vape use among students is 9.0% for middle school students and 20% for high school students.<sup>4</sup>

Vapes are a threat to the health of Ohio children. The nicotine in vapes harms adolescent brain development. It can affect attention, learning, mood, and impulse control.<sup>5</sup> Some of the chemicals found in vape aerosols, particularly the reactive aldehydes formaldehyde and acrolein, are DNA-reactive, and formaldehyde has been shown to cause cancer in animals exposed via inhalation and is considered to be a "known human carcinogen" by the Environmental Protection Agency and the International Agency for Research on Cancer.<sup>6</sup>

<sup>&</sup>lt;sup>1</sup> See <a href="https://www.fda.gov/tobacco-products/products-ingredients-components/e-cigarettes-vapes-and-other-electronic-nicotine-delivery-systems-ends">https://www.fda.gov/tobacco-products/products-ingredients-components/e-cigarettes-vapes-and-other-electronic-nicotine-delivery-systems-ends</a>

<sup>&</sup>lt;sup>2</sup> Birdsey J, Cornelius M, Jamal A, et al. Tobacco product use among U.S. middle and high school students—National Youth Tobacco Survey, 2023. MMWR Morb Mortal Wkly Rep. 2023;72:1173–1182.

<sup>3</sup> https://www.cdec.gov/tobacco/e-cigarettes/youth.html

<sup>&</sup>lt;sup>4</sup> ODH Tobacco Use Among Youth in Ohio, 2021.

<sup>&</sup>lt;sup>5</sup> U.S. Department of Health and Human Services. E-cigarette Use Among Youth and Young Adults: A Report of the Surgeon General. Centers for Disease Control and Prevention; 2016.

<sup>&</sup>lt;sup>6</sup> National Academies of Sciences, Engineering, and Medicine; Health and Medicine Division; Board on Population Health and Public Health Practice; Committee on the Review of the Health Effects of Electronic Nicotine Delivery Systems; Eaton DL, Kwan LY, Stratton K, editors.

#### **JURISDICTION AND VENUE**

- Plaintiff, State of Ohio, by and through its counsel, the Attorney General of Ohio, Dave
  Yost, having reasonable cause to believe that violations of Ohio's consumer protection
  laws have occurred, brings this action in the public interest and on behalf of the State of
  Ohio under the authority vested in him by the Consumer Sales Practices Act, ("CSPA")
  R.C. 1345.01 et seq.
- 2. The actions of Elevate Smoke, LLC d/b/a Elev8 Smoke Shop, hereinafter described have occurred in Hamilton County in the State of Ohio and, as set forth below, are in violation of the CSPA, R.C. 1345.01 *et seq.*, and its Substantive Rules, O.A.C. 109:4-3-01 *et seq.*
- 3. Jurisdiction over the subject matter of this action lies with this Court pursuant to R.C. 1345.04 of the CSPA.
- 4. This Court has venue to hear this case pursuant to Ohio Civ. R. 3(C)(3) in that Hamilton County is the county where Defendant conducted the activity that gave rise to this claim for relief.

#### **DEFENDANT**

- 5. Defendant Elevate Smoke, LLC d/b/a Elev8 Smoke Shop ("Elev8") is an Ohio Limited Liability Company with its principal place of business located at 462 Montgomery Road Cincinnati, Ohio 45212.
- 6. Norwood High School and Norwood Middle School share a campus and are less than half a mile from Defendant's place of business.
- 7. Defendant is a "supplier," as Defendant engages in the business of effecting "consumer transactions" by soliciting, offering, and selling disposable electronic nicotine delivery

systems, commonly known as vapes, to individuals in Hamilton County for purposes that are primarily for personal, family, or household use, as those terms are defined by R.C. 1345.01(A), (C), and (D).

## **STATEMENT OF FACTS**

- 8. Defendant is, and has been at all relevant times, engaged in the business of soliciting, offering, and selling, *inter alia*, unauthorized and illegal vapes to consumers.
- 9. Under federal law no new tobacco product including e-cigarettes containing synthetic nicotine or nicotine derived from tobacco is lawful for sale in the United States without first having received pre-market authorization by the FDA<sup>7</sup>.
- 10. The FDA has only authorized 27 e-cigarette products, which include only tobacco and menthol-flavored vapes<sup>8</sup>.
- 11. Any vapes not authorized by the FDA are illegal to sell in the United States, including in Ohio. This includes all non-menthol-flavored and non-tobacco-flavored vapes sold by Defendant Elev8.
- 12. On April 5, 2024, Plaintiff sent a letter to Defendant Elev8, advising it that if it was selling any vapes other than those products authorized by the FDA, such products were illegal, and may constitute an unfair and deceptive practice under the Ohio Consumer Sales Practices Act, which could be subject to enforcement action. (April 5, 2024 letter, Exhibit 1).

<sup>&</sup>lt;sup>7</sup> See Federal Food, Drug and Cosmetic Act ("FD&C Act"), 21 U.S.C. § 387j.

<sup>&</sup>lt;sup>8</sup> Prior to June 21, 2024, the FDA had only authorized 23 e-cigarettes to be sold in the United States. All 23 e-cigarettes were tobacco flavored. On June 21, 2024, the FDA authorized the sale of four additional menthol-flavored products, bringing the authorized products list to 27. See <u>FDA Authorizes Marketing of Four Menthol-Flavored E-Cigarette Products After Extensive Scientific Review | FDA</u>

- 13. Specifically, the letter noted that the AGO would aggressively pursue all available remedies against any person or business involved in the advertising, sale or distribution of these illegal products. (Id. at ¶5).
- 14. Defendant did not respond to Plaintiff's letter.
- 15. The letter was not returned to Plaintiff as undeliverable.
- 16. Despite Plaintiff's April 5<sup>th</sup> warning letter, Defendant Elev8 continued to offer for sale and sell illegal vapes.
- 17. On May 23, 2024, Consumer Protection Section Investigator Eric McCrary, operating in an undercover capacity at the direction of the Ohio Attorney General's Office, went to Defendant Elev8, located at 462 Montgomery Road Cincinnati, Ohio 45212, for the purpose of purchasing disposable vapes. (Affidavit of Investigator McCrary, ¶4, Exhibit 2).
- 18. On May 23, 2024, Defendant offered for sale numerous flavored vapes, including products labeled as Mr. Fog Max Air and EB Create, BC500.
- 19. While at Defendant Elev8, Investigator McCrary purchased two disposable vapes, for a total of \$35.00. (Id. at ¶¶ 5-8).
- 20. The two products were labeled as Mr. Fog Max Air and EB Create, BC5000. (Id. at ¶¶ 6-7).
- 21. On May 23, 2024, the Mr. Fog Max Air product was offered for sale in a Double Peach flavor.
- 22. The Mr. Fog Max Air product contained the following notice on the back: "Sale Only Allowed in the United States."

- 23. Despite the representation that sale of the Mr. Fog Max Air is "Only Allowed in the United States," Mr. Fog Max Air in Double Peach or any flavor other than tobacco or menthol is not allowed to be sold in the United States, including in Ohio.
- 24. On May 23, 2024, the EB Create, BC5000 product was offered for sale in a Strawberry Banana flavor.
- 25. The EB Create, BC5000 product contained a sticker on the front of the box that said, "US EDITION" and contained the following notice on the back: "Sale Only Allowed in the United States.".
- 26. Despite the representation that sale of the EB Create, BC5000 is "only allowed in the United States," EB Create, BC5000 in Strawberry Banana or any flavor other than tobacco or menthol is not allowed to be sold in the United States, including in Ohio.

# **PLAINTIFF'S CAUSE OF ACTION:**

# **VIOLATIONS OF THE CONSUMER SALES PRACTICES ACT**

## COUNT I

#### **UNFAIR OR DECEPTIVE ACTS OR PRACTICES**

- 27. Plaintiff incorporates by reference, as if fully rewritten herein, the allegations set forth in each of the previous paragraphs of this Complaint.
- 28. Defendant Elev8 has committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A), by offering for sale and selling illegal vapes.
- 29. Defendant Elev8 has committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A), by failing to clearly and conspicuously disclose that the products it offers for sale are not legal to be sold in the United States or in Ohio.

- 30. Defendant Elev8 has committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A) and (B)(1), by representing the vapes it offers for sale and sells have sponsorship or approval that they do not have. Specifically, while the vapes Defendant Elev8 sells contain a notice that "Sale Only Allowed in the United States," such products are not authorized to be sold in the United States.
- 31. Defendant Elev8 has committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A) and (B)(4), by representing that the vapes it offers for sale and sells are available to consumers for reasons that do not exist. Specifically, while the vapes Defendant Elev8 sells contain a notice that "Sale only allowed in the United States," such products are not authorized to be sold in the United States and should not be available to consumers.
- 32. Such acts or practices have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendant Elev8 has committed said violations after such decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

#### **COUNT II**

#### **UNCONSCIONABLE ACTS OR PRACTICES**

- 33. Plaintiff incorporates by reference, as if fully rewritten herein, the allegations set forth in each of the previous paragraphs of this Complaint.
- 34. Defendant Elev8 has committed unconscionable acts or practices in violation of the CSPA,
  R.C. 1345.03(A), by offering for sale and selling illegal vapes.
- 35. Defendant Elev8 has committed unconscionable acts or practices in violation of the CSPA, R.C. 1345.03(A) and (B)(1), by knowingly taking advantage of the inability of consumers to reasonably protect their interests as prospective consumers do not know that the products

Defendant offered for sale and sold were not authorized or legal to be sold in the United States, including in Ohio, especially given that the products touted "Sale Only Allowed in the United States."

36. Such acts or practices have been previously determined by Ohio courts to violate the CSPA, R.C. 1345.01 et seq. Defendant Elev8 has committed said violations after such decisions were available for public inspection pursuant to R.C. 1345.05(A)(3).

#### **COUNT III**

# **EXCLUSIONS AND LIMITATIONS IN ADVERTISEMENTS**

- 37. Plaintiff incorporates by reference, as if fully rewritten herein, the allegations set forth in each of the previous paragraphs of this Complaint.
- 38. Defendant Elev8 has committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A), and the Exclusions and Limitations in Advertisements Rule, Ohio Admin. Code 109:4-3-02(A)(1), by failing to clearly and conspicuously disclose certain material exclusions related to vapes it offers for sale and sells. Specifically, while the vapes Defendant Elev8 sold contained a notice that "Sale Only Allowed in the United States," Defendant failed to disclose that the products were not legal to be sold in the United States.

#### COUNT IV

# SUBSTANTIATION OF CLAIMS IN ADVERTISING

- 39. Plaintiff incorporates by reference, as if fully rewritten herein, the allegations set forth in each of the previous paragraphs of this Complaint.
- 40. Defendant Elev8 has committed unfair or deceptive acts or practices in violation of the CSPA, R.C. 1345.02(A), and the Substantiation of Claims in Advertising Rule, Ohio Admin. Code 109:4-3-10(A), by making representations which would cause a reasonable consumer to believe such statements were true, without having in its possession, or relying

upon, a reasonable basis in fact such as factual, objective, quantifiable, clinical, or scientific data or other competent and reliable evidence which substantiates such legality representations. Specifically, Defendant Elev8 offered for sale and sold vapes which contained a representation that "Sale Only Allowed in the United States" without possessing or relying upon a reasonable basis in fact that such representations were true. To the contrary, Plaintiff's April 5, 2024, letter to Defendant Elev8 informed Defendant that selling such vapes was illegal.

#### PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests that this Court grant the following relief:

- A. ISSUE A DECLARATORY JUDGMENT that each act or practice described herein violates the CSPA, R.C. 1345.01 *et seq.*, and its Substantive Rules, OAC 109:4-3-01 *et seq.* in the manner set forth in the Complaint.
- B. ISSUE A PERMANENT INJUNCTION enjoining Defendant Elev8, its owners, agents, employees, successors or assigns, and all persons acting in concert and participation with it, directly or indirectly, through any corporate device, partnership, or other association, under these or any other names, from engaging in the acts and practices of which Plaintiff complains and from further violating the CSPA, R.C. 1345.01 *et seq.*, and its Substantive Rules, OAC 109:4-3-01 *et seq.*.
- C. ISSUE A PERMANENT INJUNCTION enjoining Defendant Elev8 from engaging in business as a supplier in any consumer transaction in the State of Ohio until such time as Defendant has satisfied all monetary obligations ordered by this Court, and any other Court in Ohio in connection with a consumer transaction.

D. ISSUE A PERMANENT INJUNCTION enjoining Defendant Elev8 from offering for sale or selling illegal disposable electronic nicotine delivery systems, commonly known as vaping products.

E. ASSESS, FINE and IMPOSE upon Defendant Elev8 a civil penalty of up to \$25,000.00 for each separate and appropriate violation of the CSPA described herein, pursuant to R.C. 1345.07(D).

F. GRANT Plaintiff its costs incurred in bringing this action, including but not limited to, the cost of collecting on any judgment awarded.

G. ORDER Defendant Elev8 to pay all court costs associated with this matter.

H. GRANT such other relief as the court deems to be just, equitable, and appropriate.

Respectfully submitted,

DAVE YOST Attorney General

Lisa M. Treleven (0086628)

Michael Sliwinski (0076728)

Assistant Attorneys General

Consumer Protection Section

Ohio Attorney General's Office

8040 Hosbrook Road, Suite 300

Cincinnati, OH 45236

Phone: 513-852-1527/Fax: 866-347-2545

<u>Lisa.Treleven@ohioago.gov</u> <u>Michael.Sliwinski@ohioago.gov</u>

Counsel for Plaintiff, State of Ohio



April 5, 2024

#### VIA REGULAR MAIL

ELEV8 SMOKE SHOP 4462 MONTGOMERY ROAD CINCINNATI, OH 45212

RE: Unauthorized E-Cigarettes and Vaping Products

#### Dear Ohio Business Owner:

The Attorney General's Office ("AGO") is aware that there may be unauthorized and illegal electronic cigarettes ("e-cigarettes") and other vaping products containing nicotine being distributed and sold in Ohio. Specifically, my office is aware that such products, in kid-friendly flavors, are inundating Ohio communities and putting Ohio's youth at risk. Due to the unauthorized nature of these products, we cannot substantiate what ingredients they contain.

Under federal law no new tobacco product – including e-cigarettes containing synthetic nicotine or nicotine derived from tobacco – is lawful for sale in the United States without first having received pre-market authorization by the Food and Drug Administration ("FDA"). See Federal Food, Drug and Cosmetic Act ("FD&C Act"), 21 U.S.C. § 387j. To date, only 23 e-cigarettes have been authorized by the FDA to be sold in the United States. See Addendum A for a list of authorized devices. Further, FDA has not authorized any flavors other than tobacco flavored.

Any e-cigarettes or vaping products not on this list have not been authorized by the FDA, potentially making such products adulterated and misbranded and illegal under Sections 902 and 903 of the FD&C Act. See 21 U.S.C. § 387b(6)(A) and § 387c(a)(6). Businesses that sell or distribute such unauthorized products are subject to enforcement action and penalties by the FDA, including monetary penalties and no-tobacco-sale orders. Additionally, holding out these products for sale without FDA authorization may constitute an unfair and deceptive practice under the Ohio Consumer Sales Practices Act, R.C. 1345.02(A)(2).

We know that despite FDA regulations, many Ohio businesses may be selling these illegal ecigarettes and devices. The purpose of this letter is to put you on notice and ask that you help ensure such unauthorized and illegal products are not sold in our state.

In addition to any enforcement actions and penalties the FDA may pursue, the AGO will aggressively pursue all available remedies against any person or business involved in the sale or distribution of these illegal products.

These illegal products pose a public health threat to our communities, putting our citizens, including our youth, at risk for addiction, breathing problems, and other harms. These unauthorized products may contain additional dangerous ingredients not listed on the packaging.

As such, I ask your business to fully comply with existing state and federal laws and put an end to the distribution and sale of these unauthorized and illegal products.

If you have any questions regarding this matter or if you have any information regarding persons or businesses that may be selling these unauthorized and illegal e-cigarettes and vaping products, please contact my office at <a href="Vaping@OhioAGO.gov">Vaping@OhioAGO.gov</a>. Thank you for your cooperation.

Sincerely,

Melissa Wright

Welissa Wright

Section Chief, Consumer Protection

# Addendum A

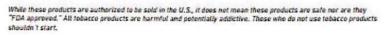
# E-Cigarettes Authorized by the FDA



As of Jan. 2024, these are the only e-cigarettes authorized to be sold in the U.S.

Manufacturer	Product Name
Logic Technology Development LLC	Logic Regular Cartridge/Capsule Package
	Logic Vapeleaf Cartridge/Capsule Package
	Logic Vapeleaf Tobacco Vapor System
	Logic Pro Tobacco e-Liquid Package
	Logic Pro Capsule Tank System (1)
	Logic Pro Capsule Tank System (2)
	Logic Power Tobacco e-Liquid Package
	Logic Power Rechargeable Kit
NJOYLLC	NJOY DAILY Rich Tobacco 4.5%
	NJOY DAILY EXTRA Rich Tobacco 6%
	NJOY ACE Device
	NJOY ACE POD Classic Tobacco 2.4%
	NJOY ACE POD Classic Tobacco 5%
	NJOY ACE POD Rich Tobacco 5%
R.J. Reynolds Vapor Company	Vuse Vibe Power Unit (1)
	Vuse Vibe Tank Original 3.0%
	Vuse Vibe Power Unit (2)
	Vuse Ciro Power Unit (1)
	Vuse Ciro Cartridge Original 1.5%
	Vuse Ciro Power Unit (2)
	Vuse Sala Power Unit
	Vuse Replacement Cartridge Original 4.8% G1
	Vuse Replacement Cartridge Original 4.8% G2

For the most up-to-date list of authorized e-cigarettes, visit the Premarket Tebacco Product Marketing Granted Orders webpage.









# Elev8 Smoke Shop Investigator McCrary Affidavit w attachments1.pdf

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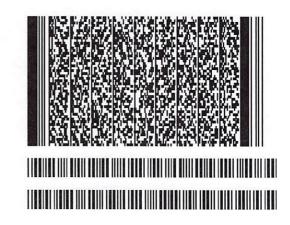
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#### E-Signature Summary

**E-Signature 1: Eric McCrary (EIM)**July 08, 2024 11:32:33 -8:00 [F40FDCC60BCF] [64.128.48.50]
Eric.McCrary@OhioAGO.gov (Principal) (ID Verified)

E-Signature Notary: Joshua Richardson (JR)
July 08, 2024 11:32:33 -8:00 [1F07D30CAABA] [64.128.48.50]
Joshua.Richardson@OhioAGO.gov
I, Joshua Richardson, did witness the participants named above electronically sign this document.



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STATE OF OHIO	)	<u>AFFIDAVIT OF</u>
	) SS:	
COUNTY OF FRANKLIN	)	INVESTIGATOR ERIC McCRARY

#### **AFFIDAVIT**

I, Investigator Eric McCrary, being first duly sworn according to law, depose and say that I am of full legal age, I have personal knowledge of the facts herein, and am competent to testify to the matter set forth. Further, I state that:

- 1. I am an Investigator with the Consumer Protection Section of the Ohio Attorney General's Office. In this position I am involved in a variety of investigations, some of which involve an undercover capacity to gather information.
- 2. The Ohio Attorney General's Office received information that Elev8 Smoke Shop located at 4462 Montgomery Road Cincinnati, Ohio 45212, was selling illegal disposable electronic nicotine delivery systems, commonly known as vapes.
- 3. Elev8 Smoke Shop is located 0.4 miles away from the shared campus of Norwood High School and Norwood Middle School.
- 4. Operating in an undercover capacity and under the direction of the Ohio Attorney General's Office, I went to Elev8 Smoke Shop for the purpose of purchasing vapes.
- 5. On May 23, 2024, at approximately 10:40am, I entered Elev8 Smoke Shop and I observed that they offered a variety of smoking products and accessories including multiple brands of vapes. I selected two vapes to purchase.
- 6. I purchased a Mr. Fog Max, Air Recharge, vape in the flavor Double Peach. A true and accurate photo of the copy of the Mr. Fog vape is attached as Exhibit Al-A2.
- 7. I purchased an EB Create, BC5000, vape in the flavor Strawberry Banana. A true and accurate photo of the EB Create vape is attached as Exhibit B1-B2.
- 8. I paid \$35.00 cash for the two items. When I asked for a receipt, the clerk explained to me that if he gave me a receipt then he would have to charge me tax, so not taking a receipt saves me money. I did not take a receipt.



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9. On June 4, 2024, I gave the items I purchased to Investigator Supervisor Sheila Laverty to be stored in an evidence room in the Ohio Attorney General's Office.

FURTHER AFFIANT SAYETH NAUGHT.

Eric McCrory

ERIC McCRARY, AFFIANT

Sworn to and subscribed in my presence this 8<sup>th</sup> day of July 2024, in the City of Columbus, County of Franklin, State of Ohio.



**Notary Public** 

My commission expires 5/23/26

Notarial act performed by audio-visual communication





