

Liggett Group, Vector Tobacco, and Xcaliber International File Preliminary Injunction Against the State of Colorado in United States Federal Court

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Plaintiffs Seek to Enjoin Colorado from Enforcing Minimum Cigarette Price Requirement

DENVER--(BUSINESS WIRE)--Discount cigarette manufacturers Liggett Group LLC, Vector Tobacco Inc. and deep discount cigarette manufacturer Xcaliber International Ltd., together with a Colorado citizen and cigarette smoker, today announced that they have filed a motion for a preliminary injunction against the State of Colorado in United States Federal Court. The motion seeks to enjoin Colorado from enforcing the recently enacted Colorado minimum cigarette price requirement, which would drastically raise retail cigarette prices for Colorado consumers to premium brand levels.

The motion alleges that the requirement was inserted into a cigarette tax increase bill solely to secure support for the bill from Philip Morris, the largest U.S. seller of premium cigarettes such as Marlboro, which, in the past, had spent millions of dollars successfully opposing previous tax increases. Along with Colorado cigarette retailers, Philip Morris will reap huge benefits from the new legislation because the minimum price requirement will eliminate price competition from companies that sell discount and deep discount cigarettes and destroy their ability to compete in Colorado.

The motion also alleges that the minimum price requirement violates the Commerce Clause of the U.S. Constitution by favoring Colorado retailers' in-state economic interests over the interests of out-of-state discount manufacturers. Further, in violation of the Colorado Constitution, the minimum price requirement was not properly disclosed to Colorado voters who approved the bill on Election Day. Voters believed that the tax increases would benefit education and other public purposes, when in fact all of the benefit of the minimum price provision will go to retailers, Philip Morris and other premium cigarette manufacturers, and none to the State of Colorado.

The motion can be seen by clicking [here](#).

The plaintiffs are represented by Kasowitz Benson Torres LLP and the Denver firm, Maven Law Group.

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