

1 [Authorization to Participate in Multi-State Settlement]

2 AUTHORIZATION TO PARTICIPATE IN PROPOSED MULTI-STATE SETTLEMENT OF
3 TOBACCO LITIGATION

4 Be it ordained by the People of the City and County of San Francisco:

5 Section 1. Findings:

6 (1) The City and County of San Francisco brought a lawsuit against the tobacco industry in
7 September 1996, entitled People v. Philip Morris, et al, S.F. Superior Court No. 980-864 (the "San
8 Francisco action"), alleging unfair and unlawful business practices by the tobacco industry;

9 (2) The San Francisco action was coordinated with four other tobacco actions, including the
10 California Attorney General's action (collectively, the "California actions");

11 (3) In August, 1998, the Attorney General of the State of California entered into a Memorandum
12 of Understanding ("MOU") with representatives of California Cities and Counties regarding the
13 distribution of any funds derived from any settlement of the California actions;

14 (4) Under the MOU, the California Cities and Counties would receive one-half of any settlement
15 between the State of California and the tobacco industry;

16 (5) The state attorneys general and the four major tobacco manufacturers have entered into a
17 tentative Settlement Agreement dated November 23, 1998 (the "Agreement");

18 (6) Under the Agreement, the states would settle their lawsuits with the industry in return for
19 various public health and monetary benefits;

20 (7) Pursuant to the Agreement, the industry will, among other things: a) prohibit the use of
21 cartoons in advertising, promoting, packaging or labeling tobacco products; b) prohibit the distribution
22 of free samples of cigarettes except in certain circumstances; c) dissolve the Tobacco Institute and the
23 Center for Indoor Air Research; d) prohibit the industry's entering into agreements to inhibit anti-
24 tobacco advertising; e) prohibit the industry's licensing of brand names to third-parties to be used in
25 manner forbidden to the industry; f) prohibit the industry's product placements in motion pictures,

Supervisors Kaufman, Newsom

1 television shows, theatrical productions or other live performances, live or recorded performances of
2 music, commercial films or videos, or video games;

3 (8) Pursuant to the Agreement, the industry will apply all of the public health benefits achieved
4 in the Minnesota settlement nationally;

5 (9) Pursuant to the Agreement, the industry will pay approximately \$25 billion dollars
6 (\$25,000,000,000) to the State of California over twenty-five years, subject to certain adjustments; and,

7 (10) Under the MOU, the City and County of San Francisco would receive approximately
8 \$586 million dollars (\$586,000,000) over 25 years, also subject to certain adjustments.

9 Section 2. The Board of Supervisors authorizes the San Francisco City Attorney's Office to
10 settle its lawsuits against the tobacco industry defendants in consideration for the monetary benefits as
11 delineated in the MOU and the Agreement and in consideration for the public health benefits listed in
12 the Agreement.

13 Section 3. The Board of Supervisors of the City and County of San Francisco hereby authorizes
14 the Controller of the City and County of San Francisco to accept all the payments made to the City and
15 County of San Francisco pursuant to the terms of the MOU and the Agreement.
16

17 APPROVED AS TO FORM AND
18 RECOMMENDED:

19 LOUISE H. RENNE
20 City Attorney

21 
22 PATRICK J. MAHONEY
23 Chief Trial Deputy
24
25



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails

Ordinance

File Number: 981974

Date Passed:

Ordinance authorization to participate in proposed multi-state settlement of tobacco litigation.

December 14, 1998 Board of Supervisors — PASSED, ON FIRST READING

Ayes: 11 - Newsom, Teng, Yaki, Yee, Ammiano, Bierman, Brown, Katz,
Kaufman, Leno, Medina

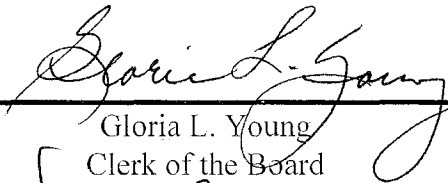
December 21, 1998 Board of Supervisors — FINALLY PASSED

Ayes: 10 - Brown, Katz, Kaufman, Leno, Medina, Newsom, Yaki, Yee, Ammiano,
Bierman

Absent: 1 - Teng

File No. 981974

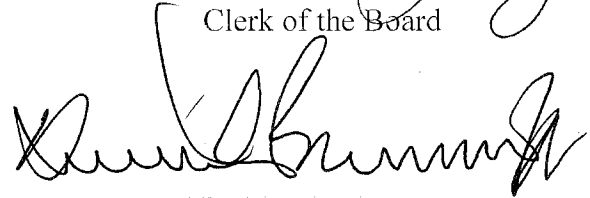
I hereby certify that the foregoing Ordinance
was **FINALLY PASSED** on December 21,
1998 by the Board of Supervisors of the City
and County of San Francisco.



Gloria L. Young
Clerk of the Board

DEC 24 1998

Date Approved



Mayor Willie L. Brown Jr.