

April 13, 2015

BY FEDEX® COURIER

Michael Johnson
Puffs USA


Wichita, Kansas 67208
Tel.: (316) 206-3677:
Email: michael@wichitarewards.com

Re: Unauthorized Use of BLACK & MILD® Trademark

Dear Mr. Johnson:

We represent John Middleton Co. ("JMC") in certain trademark matters. Our client has recently learned that your company, Puffs USA, advertises, sells, offers for sale, and distributes flavored electronic liquid for use in connection with electronic juice for use in connection with electronic cigarettes (the "Infringing Products") that infringes JMC's BLACK & MILD® trademark. A screen capture from Puffs USA's website <http://store.puffsusa.com/black-mild-tobacco-e-juice/> depicting the Infringing Products is attached as Exhibit A. This letter is to inform you that the use, advertisement, sale, and distribution of the Infringing Products constitutes statutory and common law trademark infringement, dilution, and unfair competition in violation of JMC's valuable rights. On behalf of JMC, we must demand that Puffs USA immediately refrain from using, advertising, selling or distributing the Infringing Products, any other products bearing JMC's Marks, or any other marks confusingly similar thereto.

As you undoubtedly know, JMC's brand BLACK & MILD® is among the most recognized brands of large mass machine made cigars in the United States. To enhance its rights in the BLACK & MILD® Mark, JMC has obtained from the United States Patent and Trademark Office several federal trademark registrations, including, among others, U.S. Registration No. 1,177,552 for the BLACK& MILD® word mark. A copy of the registration certificate for this registration is attached hereto as Exhibit B. The BLACK & MILD® Mark is famous and distinctive, and JMC has made extensive use of this mark.

The Infringing Products misappropriate the BLACK & MILD® mark. Your website uses the exact BLACK & MILD® mark to identify a flavor of e-liquid that you sell. Your use of the BLACK & MILD® mark in this manner demonstrates that you

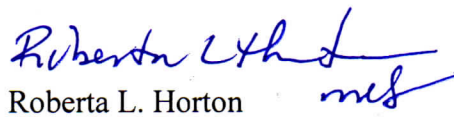
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intended to replicate JMC's mark. Your conduct is thus calculated to mislead consumers into believing that JMC endorses the Infringing Products, or sponsors, licenses or otherwise is affiliated with you and the Infringing Products. Thus, your use, advertisement, sale, and distribution of the Infringing Products constitutes trademark infringement, unfair competition, and dilution under the Lanham Act, 15 U.S.C. §§ 1051 *et seq.*, and corresponding state law, and may subject you to liability for injunctive relief and monetary damages.

Although we hope we can resolve this matter amicably, we must have your assurance that Puffs USA, as well as anyone acting under the direction of, or in active concert or participation with Puffs USA, will comply with our demands. Please provide us with such assurance by countersigning and returning a copy of this letter within two weeks of the date of this letter affirming that Puffs USA will: (1) immediately cease any and all use, sale, advertisement, and distribution of items that bear the BLACK & MILD[®] Mark, and/or any other trademark or trade dress owned by JMC, and/or any mark confusingly similar thereto, including, but not limited to, the Infringing Products and remove all reference to the BLACK & MILD[®] Mark from your website; (2) immediately deliver up for destruction at a place designated by JMC any and all products and advertising materials bearing the BLACK & MILD[®] Mark and/or any other trademark owned by JMC, and/or any trademark or trade dress confusingly similar thereto, that are in Puffs USA's possession or under its control, including without limitation all Infringing Products, and confirm, under penalty of perjury, that Puffs USA has fully complied with this demand; (3) refrain in the future from using, selling, distributing, and advertising any product bearing the BLACK & MILD[®] Mark and/or any other trademark or trade dress owned by JMC, and/or any mark confusingly similar thereto; and (4) provide us with the name, address, telephone number, and e-mail address of all persons or companies that are supplying Puffs USA with the Infringing Products. Contingent upon our receipt of a countersigned letter confirming that you intend to comply with our demands, JMC will refrain from taking further action in this matter.

Nothing in this letter should be construed as a waiver, relinquishment or election of rights or remedies by JMC. JMC expressly reserves all rights and remedies under all applicable federal and state laws.

Sincerely,


Roberta L. Horton