

3 US tobacco companies to settle 400 smoking lawsuits

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Three major US tobacco companies—Philip Morris, RJ Reynolds and Lorillard—have agreed to pay \$100 million to settle more than 400 lawsuits claiming that smoking damaged people's health.

A judge awarded a combined \$100 million to the plaintiffs in the lawsuits filed in Florida by smokers or their families, seeking damages for injuries caused by smoking.

As part of the settlement, Philip Morris USA, maker of Marlboro cigarettes; RJ Reynolds Tobacco Company; and Lorillard Tobacco Company will collectively pay \$100 million to the plaintiffs, one of the [law firms](#) representing them said in a statement Wednesday.

"We are very pleased that after many years of litigation, the parties were able to reach agreement. This settlement will provide immediate compensation to our clients, many of whom are very elderly," said attorney Robert Nelson, of Lieff Cabraser Heimann & Bernstein, who helped negotiate the deal.

Under the terms of the agreement, Altria unit Philip Morris USA, the largest US [tobacco company](#), and RJ Reynolds, the second-largest, will each pay \$42.5 million to resolve the federal cases. Lorillard will pay \$15 million.

The settlement only involves cases that are pending in federal [court](#), the law firm noted, not cases filed in state court. The tentative agreement is subject to the approval of all the plaintiffs.

The settled cases are part of the so-called Engle cases, a Florida class-action lawsuit filed against the cigarette companies in 1994. They were also part of a 2006 Florida Supreme Court decision to decertify the class action, saying the \$145 billion in punitive damages to the entire group was "excessive."

However, the top court opened the door to individual [lawsuits](#), and allowed the findings to stand in the case, including that smoking cigarettes harmed health and the tobacco companies had knowingly concealed the health effects of cigarettes or their addictive nature.

"Today's agreement is in the best interest of the company," said Murray Garnick, senior vice president and associate general counsel at Altria, in a separate statement.

"As for the Engle progeny cases in state court, we will continue to defend ourselves vigorously, including appealing adverse verdicts."

In afternoon trade on Wall Street, Altria was up 0.2 percent, RJ Reynolds slipped 0.1 percent and Lorillard was flat.

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