

IN RE:

ANHEUSER-BUSCH, INC.

ASSURANCE OF VOLUNTARY COMPLIANCE

AND VOLUNTARY DISCONTINUANCE

WHEREAS, this Assurance of Voluntary Compliance/Assurance of Discontinuance (hereinafter "Assurance") is entered into between the Attorneys General of Arizona, California, Connecticut¹, Idaho, Illinois, Iowa, Maine, Maryland, New Mexico, New York, and Ohio ("Signatory Attorneys General"), acting pursuant to their respective consumer protection statutes, and Anheuser-Busch, Inc. ("A-B") in order to resolve disputed claims with respect to A-B's marketing and sale of caffeinated alcohol beverages, including the Tilt and Bud Extra brands;

WHEREAS, the states identified above are hereinafter collectively referred to as the "Signatory States";

WHEREAS, Respondent A-B was and is engaged in the business of making and selling alcohol beverages, with its principal place of business located at One Busch Place, 202-6, St. Louis, MO 63118;

WHEREAS, from approximately January 1, 2005 and continuing through the present, A-B has marketed and sold Bud Extra and Tilt in the Signatory States;

¹ With regard to Connecticut, the Assurance is entered into on behalf of the State of Connecticut Department of Consumer Protection.

WHEREAS, the Signatory Attorneys General allege that A-B marketed and sold Bud Extra and Tilt in violation of their respective consumer protection and trade practice statutes² by, among other practices, making express and implied false or misleading health-related statements about the energizing effects of Bud Extra and Tilt, failing to disclose to consumers the effects and consequences of drinking alcohol beverages that are combined with caffeine and/or other stimulants, and directing advertisements of Tilt and Bud Extra to consumers under the age of 21. The health-related statements include, but are not limited to, the following:

- A. Statements regarding Guarana and its strengthening effects (see Exhibit A attached hereto); and
- B. Statements regarding being able to stay up all night after drinking the products (see Exhibits B and C attached hereto).

WHEREAS, A-B alleges that it obtained all necessary federal and state regulatory approvals for Tilt and Bud Extra and the company contends that its sale and marketing of these beverages in the signing states complied with all applicable laws and that its advertising was directed to people age 21 and over;

WHEREAS, A-B contends that it exercised reasonable care in developing Bud Extra and Tilt which it contends have only 54 mg. and 71 mg. of caffeine per 10 oz. and 16 oz. container

² ARIZONA - Consumer Fraud Act, A.R.S. § 44-1521 *et seq.*; CALIFORNIA - Bus. & Prof. Code §§ 17200 *et seq.*, and 17500 *et seq.*; CONNECTICUT - Connecticut Unfair Trade Practices Act, Conn. Gen. Stat. § 42-110b, *et seq.*; IDAHO - Consumer Protection Act, Idaho Code § 48-601 *et seq.*; ILLINOIS - Consumer Fraud and Deceptive Business Practices Act, 815 ILCS § 505/1 *et seq.* (2006); IOWA - Iowa Consumer Fraud Act, Iowa Code Section 714.16; MAINE - Unfair Trade Practices Act, 5 M.R.S.A. section 205-A *et seq.*; MARYLAND - Consumer Protection Act, Maryland Commercial Law Code Annotated § 13-101 *et seq.*; NEW MEXICO - Unfair Trade Practices Act, NMSA § 57-12-1 *et seq.* (1978); NEW YORK - N.Y. Gen. Bus. Law §§ 349 & 350 and Executive Law § 63(12); OHIO - Consumer Sales Practices Act, R.C. § 1345.01 *et seq.*

respectively, and that these products have much less alcohol per volume than prepackaged caffeinated distilled spirits approved by TTB and sold in many of the signing states; and

WHEREAS, the parties, having consented to the entry of this Assurance for the purposes of settlement only, and without this Assurance constituting evidence against or as an admission by any party, and without trial of any issue of fact or law;

NOW THEREFORE, the parties agree to the following terms and conditions to settle the differences between them:

I. DEFINITIONS

1. Unless otherwise specified, the following definitions shall apply:
 - A. "Caffeinated alcohol beverages" means malt-based or distilled spirits-based alcohol beverages to which are added caffeine and/or other stimulants that are metabolized as caffeine, such as Guarana.
 - B. "*Bartexter*" is a text messaging service that provides cocktail recipes for A-B products.
 - C. "Bud Extra" means a caffeinated alcohol beverage sold as Bud Extra and B to the E.
 - D. "Effective Date" means July 1, 2008, by which date all parties have executed this Assurance.
 - E. "Tilt" means caffeinated alcohol beverages sold as Tilt and Tilt 8.0%.

II. ASSURANCE

A-B and its successors, assigns, and subsidiaries, hereby voluntarily agree to cease manufacturing and selling caffeinated alcohol beverages as follows:

1. A-B will stop manufacturing, marketing, and providing to wholesalers any and all caffeinated alcohol beverages, including Bud Extra and Tilt as currently formulated, immediately upon its execution of this Assurance.
2. A-B intends to reformulate both products without caffeine or other stimulants that are metabolized as caffeine, such as Guarana. Until the products are reformulated, A-B specifically agrees to (a) eliminate Bud Extra and Tilt in their current caffeinated formulation from any *Bartexter* recipes, (b) eliminate from its promotional materials, if any, all references to mixing Bud Extra and Tilt in their current caffeinated formulation with any other A-B product or alcohol based product, and (c) not produce or provide to wholesalers any point of sale promotional materials for Bud Extra or Tilt in their current caffeinated formulation. When Bud Extra and Tilt are reformulated, A-B agrees not to promote Bud Extra or Tilt as a mixer for any products containing caffeine and/or other stimulants that are metabolized as caffeine, such as Guarana. With respect to websites for the two products, A-B specifically agrees to immediately discontinue the current Tilt website (www.tiltthenight.com) without hyperlinking or directing visitors to a new site. A-B may immediately launch a new Tilt website at a new URL address, but may do so only to promote the reformulated Tilt without caffeine. A-B also agrees to take down the Bud Extra website for at least 30 days and, upon its re-launch to use the website only to promote the reformulated product without caffeine.
3. In the future, A-B will not produce any alcohol beverage that contains caffeine or other stimulants that are metabolized as caffeine, such as Guarana.

III. PAYMENT TO THE STATES

Within three (3) business days after the Effective Date, Respondent shall pay the Signatory Attorneys General the total sum of \$200,000.00 to such accounts and addresses as the Signatory Attorneys General may direct. Such sum is to be divided among the Signatory

Attorneys General as they may agree and is to be used for attorneys fees, and costs of investigation, or it shall be placed in or applied to consumer education, public protection, or local consumer aid funds, including implementation of programs designed to prevent illegal underage drinking, or for any other purpose authorized by state law, at the sole discretion of each Attorney General or as otherwise required by law.

IV. RELEASE

This Assurance constitutes a complete settlement and release of all of the Signatory Attorneys General's civil consumer protection claims – whether statutory, equitable, *parens patriae* or common law (but excluding any tax or antitrust claims) – that may have existed prior to or on the Effective Date which arise out of or relate to A-B's development, advertising, marketing, or sale of caffeinated alcohol beverages.

V. OTHER SETTLEMENT TERMS AND OBLIGATIONS

1. Upon reasonable prior written notice, any duly authorized representative of the Signatory Attorneys General may request, and A-B shall provide, copies of such records as may be reasonably necessary to determine whether A-B is in compliance with this Assurance.

2. Nothing in this Assurance shall be construed as relieving A-B of its obligation to comply with all applicable state and federal laws, regulations, or rules, or granting it permission to engage in any acts or practices prohibited by such law, regulation, or rule.

3. A Signatory Attorney General may assert any claim that A-B has violated this Assurance in a separate civil action to enforce this Assurance, or seek other relief for such violation provided by law.

4. The Signatory Attorneys General agree to notify A-B of any intended action to enforce this Assurance ten (10) days prior to filing to give the parties an opportunity to confer, provided however, that a Signatory Attorney General may take immediate action where the

Signatory Attorney General concludes that, because of the specific practice, a threat to the health and safety of the public requires immediate action. A Signatory Attorney General who takes such immediate action will give A-B an opportunity to confer within three (3) days from such filing.

5. The parties agree that A-B may ask the Signatory Attorneys General to amend or terminate provisions of this Assurance in light of new or evolving technologies, business models, emerging science, settlements, laws, regulations, interpretations, the passage of time, or other relevant changes in circumstances, and the Signatory Attorneys General shall reasonably consider such requests.

6. The Signatory Attorneys General are authorized to monitor compliance with this Assurance by all lawful means.

7. Any notices to be sent to a Signatory State or to A-B under this Assurance shall be sent by nationally recognized overnight courier service or certified Mail (return receipt requested), or personal delivery to the named party at the address below:

If to A-B:

Lisa A. Joley, Vice President and General Counsel
Anheuser-Busch Companies, Inc.
One Busch Place, 202-6
St. Louis, MO 63118

If to the State of Arizona:

Jennifer A. Boucek
Assistant Attorney General
1275 West Washington Street
Phoenix AZ 85007

If to the State of California:

Alan Lieberman
Deputy Attorney General
Office of the Attorney General
1300 I Street
Sacramento CA 95814

If to the State of Connecticut:

Brendan T. Flynn
Assistant Attorney General
110 Sherman Street
Hartford CT 06105

If to the State of Idaho:

Brett T. DeLange
Deputy Attorney General
Consumer Protection Division
Office of the Attorney General
Len B. Jordan Building
650 W State Street, Lower Level
P.O. Box 83720
Boise Idaho 83720-0010

If to the State of Illinois:

Christine Neilsen
Assistant Attorney General
Consumer Fraud Bureau
Office of Illinois Attorney General
100 W. Randolph, 12th Floor
Chicago, IL 60601

If to the State of Iowa:

William L. Brauch
Special Assistant Attorney General
Director – Consumer Protection Division
1305 E. Walnut Street
Des Moines, Iowa 50319

If to the State of Maine:

Linda J. Conti
Assistant Attorney General
Burton Gross State Office Building, 6th Floor
111 Sewall Street
Augusta ME 04333

If to the State of Maryland:

Marlene Trestman
Special Assistant to the Attorney General
200 St., Paul Place, 20th Floor
Baltimore MD 21202

If to the State of New Mexico:

Lawrence Otero
Assistant Attorney General
Office of the Attorney General
P.O. Drawer 1508
Santa Fe, NM 87504

If to the State of New York:

Joy Feigenbaum
Bureau Chief
Bureau of Consumer Frauds and Protection
120 Broadway
New York, NY 10271

In the State of Ohio:

Michael J. Schuler
Assistant Attorney General
30 E. Broad St., 14th Floor
Columbus, OH 43215

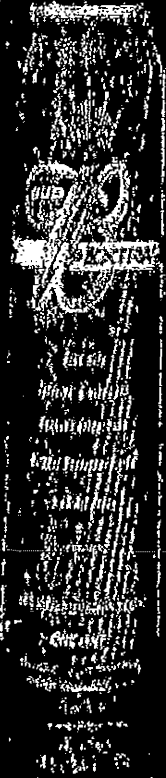
BEER TO THE MAXX

EXPECT THE EXTRA | TAP YOUR INDEX EXTRA | EXTRA ONMOLOGY



EXPECT THE EXTRA

When you want something, you want it right. Not 90% of or almost. But to the last step, the last inch. The same holds true for beer. That's why we took brewing that Extra step.



REPLAY

Bud Extra is infused with more of everything you never knew to expect. It's brewed with glassing, powered by caffeine and charged with... guava! Some call this tropical fruit a magical herb; the Guaraní tribe in Brazil believe it's a way to regain strength. Europeans discovered it in the 16th Century. Americans added it to your beer in the 21st.

Now all that pops one with the hops, balancing sweet and sour without slowing to give directions. Because with Bud Extra you don't dilly-dally. And you never come up short.

[BUD RESPONSIBLE.COM](http://www.budresponsible.com) | [CONTACT US](#) | [TERMS & CONDITIONS](#) | [PRIVACY POLICY](#)

Bud Extra is brewed to be enjoyed responsibly by 21+. © 2017 Anheuser-Busch, Inc. St. Louis, MO All rights reserved.



YOU CAN SLEEP
WHEN YOU'RE 30.



B. LONGEVITY

EXHIBIT

B.

Here are our approved headlines we are currently working with for print:

"YOU'LL LAST LONGER THAN MOST HOLLYWOOD MARRIAGES"

"THINK TWICE ABOUT 4 INCH HEELS"

"WE SUGGEST 18-HOUR MASCARA"

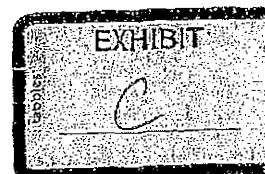
"YOU CAN SLEEP WHEN YOU ARE 30"

"GO HOME WITH MORE THAN A BURRITO TONIGHT"

"IT'S BEER RE-MIXED"

"BE THE LIFE OF THE AFTER PARTY"

"HAPPY AFTER HOURS"



CONFIDENTIAL

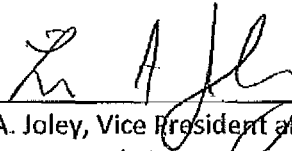
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VI. SIGNATURES

FOR ANHEUSER BUSCH, INC.

Dated: _____

6/26/08




Lisa A. Joley, Vice President and General Counsel
Anheuser-Busch Companies, Inc.
One Busch Place, 202-6
St. Louis, MO 63118

In the Matter of:

Anheuser-Busch, Inc.

Dated: June 23, 2008

TERRY GODDARD
Attorney General
State of Arizona

By: 
JENNIFER A. BOUCEK
Assistant Attorney General
1275 West Washington Street
Phoenix, AZ 85007
(602) 542-7714

IN RE: ANHEUSER-BUSCH, INC.

ASSURANCE OF VOLUNTARY COMPLIANCE
AND VOLUNTARY DISCONTINUANCE

Dated: JUNE 24, 2008

EDMUND G. BROWN JR.
Attorney General of the State of California

A handwritten signature in black ink, appearing to read "Alan Lieberman", written over a horizontal line.

ALAN LIEBERMAN
Deputy Attorney General
Office of the Attorney General
1300 I Street
Sacramento, California 95814

IN RE: ANHEUSER-BUSCH, INC.

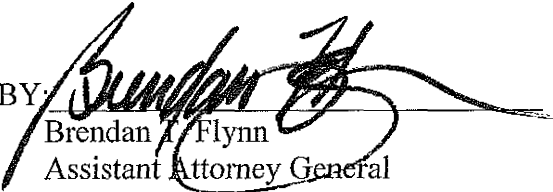
ASSURANCE OF VOLUNTARY COMPLIANCE
AND VOLUNTARY DISCONTINUANCE

Dated: JUNE 25, 2008

STATE OF CONNECTICUT,

RICHARD BLUMENTHAL
ATTORNEY GENERAL

BY:

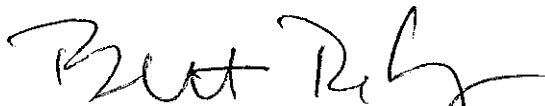


Brendan J. Flynn
Assistant Attorney General
(Juris No. 419935)
110 Sherman Street
Hartford, CT 06105

IN RE: ANHEUSER-BUSCH, INC

Dated: June 23, 2008
Boise, Idaho

LAWRENCE G. WASDEN
ATTORNEY GENERAL
STATE OF IDAHO



Brett T. DeLange (ISB No. 3628)
Deputy Attorney General
Consumer Protection Division
Office of the Attorney General
Len B. Jordan Building
650 W. State St., Lower Level
P. O. Box 83720
Boise, Idaho 83720-0010
Telephone: (208) 334-4114
FAX: (208) 334-4151
brett.delange@ag.idaho.gov

In the Matter of
ANHEUSER-BUSCH, INC.

Dated: June 23, 2008

LISA MADIGAN
Attorney General of the State of Illinois

A handwritten signature in black ink, appearing to read "Christine Nielsen", written over a horizontal line.

Christine Nielsen
Assistant Attorney General
Consumer Fraud Bureau
Office of the Illinois Attorney General
100 W. Randolph, 12th Floor
Chicago, Illinois 60601

James Kole, Chief
Consumer Fraud Bureau

Deborah Hagan, Chief
Consumer Protection Division

Assurance of Voluntary Compliance/Discontinuance with Anheuser-Busch, Inc.

For the State of Iowa

Dated: June 23, 2008

THOMAS J. MILLER
ATTORNEY GENERAL OF IOWA

A handwritten signature in black ink, appearing to read "William L. Brauch", written in a cursive style.

William L. Brauch
Special Assistant Attorney General
Director-Consumer Protection Division
1305 E. Walnut Street
Des Moines, IA 50319

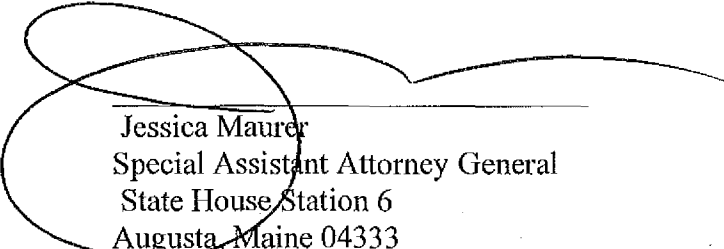
In re: Anheuser-Busch

For the State of Maine

Dated:

6/26/08

G. STEVEN ROWE
ATTORNEY GENERAL OF MAINE



Jessica Maurer
Special Assistant Attorney General
State House Station 6
Augusta, Maine 04333

IN RE: ANHEUSER-BUSCH, INC.

ASSURANCE OF VOLUNTARY COMPLIANCE
AND VOLUNTARY DISCONTINUANCE

Dated: JUNE 24, 2008

DOUGLAS F. GANSLER
Attorney General of the State of Maryland

A handwritten signature in black ink, appearing to read "Mtrestman".

MARLENE TRESTMAN
Special Assistant to the Attorney General
200 St. Paul Place – 20th Floor
Baltimore, Maryland 21202
410-576-7219
mtrestman@oag.state.md.us

For the State of New Mexico:
Gary K. King
Attorney General

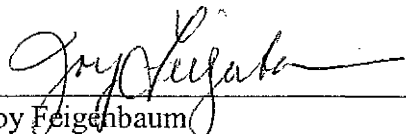
By: Lawrence Otero

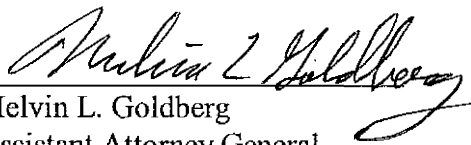
Lawrence Otero
Assistant Attorney General
Office of the Attorney General
P.O. Drawer 1508
Santa Fe, NM 87504
Ph: (505) 827-6704
Fx: (505) 827-6685

IN RE: ANHEUSER-BUSCH, INC.
ASSURANCE OF VOLUNTARY COMPLIANCE
AND VOLUNTARY DISCONTINUANCE

Dated: JUNE 24, 2008

ANDREW M. CUOMO
Attorney General of the State of New York

By: 
Joy Feigenbaum
Bureau Chief
Bureau of Consumer Frauds & Protection
Office of the Attorney General
120 Broadway
New York, New York 10271

By: 
Melvin L. Goldberg
Assistant Attorney General
Bureau of Consumer Frauds & Protection
Office of the Attorney General
120 Broadway
New York, New York 10271

IN RE: ANHEUSER-BUSCH, INC.

ASSURANCE OF VOLUNTARY COMPLIANCE
AND VOLUNTARY DISCONTINUANCE

Dated: JUNE 25, 2008

STATE OF OHIO,

NANCY H. ROGERS
ATTORNEY GENERAL

BY: 

Michael J. Schuler (0082390)
Assistant Attorney General
30 E. Broad St., 14th Floor
Columbus, OH 43215
(614) 466-6112