Attorney No. 99000

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT - CHANCERY DIVISION

THE PEOPLE OF THE STATE OF ILLINOIS,

Plaintiff,

-vs-

CHICAGO MERCHANDIZE COMPANY, an Illinois Corporation; FUMA VAPOR INC., an Illinois Corporation; and IONE WIRELESS, INC., an Illinois Corporation,

Defendants.

Case No. 2025 CH 00422

Calendar No. 5

FINAL JUDGMENT AND CONSENT ORDER

Plaintiff, the People of the State of Illinois, by Kwame Raoul, Attorney General of Illinois, filed a Complaint for Injunctive and Other Relief ("Complaint") against Chicago Merchandize Company, Fuma Vapor Inc., and Ione Wireless, Inc. (collectively, "Defendants") for violations of the Preventing Youth Vaping Act, 410 ILCS 86/1, *et seq.*, and the Consumer Fraud and Deceptive Business Practices Act ("Consumer Fraud Act"), 815 ILCS 505/1, *et seq.* Plaintiff and Defendants have agreed to the entry of this Final Judgment and Consent Order ("Judgment") by the Court. Nothing contained in this Final Judgment and Consent Order is intended by the parties to be deemed or construed as an admission of wrongdoing or liability by Defendants, all of which Defendants expressly deny.

Now, with the consent of the parties and the Court being fully advised of the matter, IT IS HEREBY ORDERED AS FOLLOWS:

ENTERED
Judge Neil H. Cohen-2021
AUG 03 2026
MARIYANA T. SPYROPOULOS
CLERK OF THE CIRCUIT COURT
OF COOK COUNTY, IL

FINDINGS

1. This Court has jurisdiction over the subject matter of the Complaint having been filed herein and over all Parties to this Judgment.

2. Defendants have at all times relevant hereto engaged in trade and commerce within the meaning of Section 1(f) of the Consumer Fraud Act, 815 ILCS 505/1(f), by advertising, promoting, offering for sale, distributing, or selling their goods in the State of Illinois.

3. Defendants are "person[s]" as well as "distributor[s]" of electronic cigarettes, as those terms are defined in the Preventing Youth Vaping Act, 410 ILCS 86/5.

4. Venue in this county is proper pursuant to Section 2-101 and 2-102(a) of the Illinois Code of Civil Procedure, 735 ILCS 5/1-101 *et seq.*

DEFINITIONS

5. Except hereafter stated and unless a different meaning of a term is clear from its context, the definitions of terms used in this Judgment shall be the same as those used in the Preventing Youth Vaping Act and the Consumer Fraud Act.

6. "Advertise" or "Advertising" shall mean the publication or dissemination of an Advertisement accessible or viewable by Persons in Illinois.

7. "Advertisement" shall mean any written or oral statement, illustration, or depiction that is calculated to induce sales of any product or service, including any written, printed, graphic, or other material, testimonial, endorsement, billboard, sign, or other outdoor display, public transit card, other periodical literature, publication, or in a radio or television broadcast, or any other media, including, but not limited to, Social Media.

8. "Consumer" shall mean any actual or potential purchaser or recipient of Defendants' Electronic Cigarettes.

9. "Defendants" shall mean Chicago Merchandize Company, Fuma Vapor Inc., and Ione Wireless, Inc. including all of their parents, subsidiaries, divisions, successors, assigns, and each of their respective shareholders, members, managers, officers, directors, agents, employees, and all persons or entities associated, affiliated or connected with each of them.

10. "Distributor" shall mean any Person who purchases Electronic Cigarettes as defined herein from Defendants and sells, offers for sale, or transfers them for resale and not for use or consumption.

11. "Effective Date" shall mean the date on which this Court enters this Final Judgment and Consent Order.

12. "Electronic Cigarette" or "E-Cigarette" shall have the meaning provided in 410 ILCS 86/5, specifically:

a. any device that employs a battery or other mechanism to heat a solution or substance to produce a vapor or aerosol intended for inhalation;

b. any cartridge or container of a solution or substance intended to be used with or in the device or to refill the device; or

c. any solution or substance, whether or not it contains nicotine, intended for use in the device.

d. "Electronic cigarette" includes, but is not limited to, any electronic nicotine delivery system, electronic cigar, electronic cigarillo, electronic pipe, electronic hookah, vape pen, or similar product or device, and any component, part, or accessory of a device used during the operation of the device, even if the part or accessory was sold separately.

13. "Market" or "Marketing" shall mean any act or process of promoting any product or service to any Person in Illinois.

14. "Person(s)" shall mean any natural person or such person's legal representative; any partnership, domestic or foreign corporation, or limited liability company; any company, trust, business entity, or association, and any agent, employee, salesman, partner, officer, director, member, stockholder, associate, or trustee.

15. "Posh" shall mean any Electronic Cigarette Advertised, Marketed, offered for sale, sold, manufactured, or distributed by Defendants under the brand name "Posh," "Posh Vapes," and/or "Posh Disposables," including, but not limited to, Posh Plus 1500, Posh Plus XL, Posh Plus 3000, Posh Pro 5500, Posh Xtron, Posh Plus 2.0 20000, Posh Pro Max, and Posh OYO.

16. "Retailer" shall mean any Person that sells Defendants' Electronic Cigarettes, regardless of quantity or number of sales, for use or consumption and not for resale in any form.

17. "Social Media" shall mean any current or future website, mobile application, or other form of electronic communication through which users are able to create and/or share information, personal messages, and other written, audio, visual, or video content (*e.g.* Facebook, Instagram, LinkedIn, Pinterest, Quora, Reddit, Snapchat, Tumblr, Twitter, TikTok, YouTube, etc.).

ALLEGATIONS OF THE COMPLAINT

18. Plaintiff's Complaint alleges that, in Advertising, Marketing, and selling Posh E-Cigarettes to Consumers, Retailers, and Distributors in Illinois, Defendants violated Section 2 of the Consumer Fraud Act, 815 ILCS 505/2, by violating Sections 15 and 25 of the Preventing Youth Vaping Act, 410 ILCS 86/15, 410 ILCS 86/25.

19. Plaintiff's Complaint alleges that in selling Posh E-Cigarettes in Illinois, Defendants violated Section 15(a)(4)(C) of the Preventing Youth Vaping Act, 410 ILCS 86/15, as Posh E-Cigarettes have not received an order from the U.S. Food and Drug Administration (FDA), pursuant to 21 U.S.C. 387j, authorizing their sale, meaning any Posh E-Cigarettes that are required to have premarket authorization under 21 U.S.C 387j are considered "adulterated" products under Illinois law. 410 ILCS 86/15(a)(4)(C).

20. Plaintiff's complaint further alleges that Defendants Advertised and Marketed Posh in a way that appeals to youth, in violation of Sections 25(d)(1) and 25(d)(2) of the Preventing Youth Vaping Act. 410 ILCS 86/25(d)(1), (d)(2) including, for example, through the use of Social Media marketing and imagery associated with a youth-targeted franchise.

21. Defendants expressly deny each of Plaintiff's allegations.

INJUNCTIVE TERMS

22. Defendants are hereby permanently enjoined as follows:

Selling Adulterated E-Cigarettes

a. Defendants shall immediately cease Advertising, Marketing, selling, offering for sale, distributing, and otherwise providing any Posh E-Cigarette lacking an FDA marketing granted order that is required under 21 U.S.C. § 387j to any Person in Illinois unless and until Defendants obtain a marketing granted order from the FDA for that E-Cigarette, provided, however, that if Defendants' Advertising or Marketing of Posh E-Cigarettes does not specifically target Persons in Illinois or maintain a fixed location within the geographic boundary of Illinois, and is otherwise generally accessible to Persons throughout the United States, Defendants shall not be considered to have Advertised, Marketed or offered for sale the subject Posh E-Cigarettes to any Person in Illinois. However, for Advertising and Marketing that could potentially be seen by Persons in Illinois, Defendant must clearly and conspicuously disclose that Posh E-Cigarettes are not for sale or purchase in Illinois;

b. If Defendants sell or offer for sale Posh E-Cigarettes to any Distributor or Retailer outside of Illinois after the Effective Date, Defendants shall:

i. In advance of selling or offering for sale, obtain written agreements from any such Distributor or Retailer that Posh E-Cigarettes will not be further sold, offered for sale, distributed or otherwise provided to Persons located in Illinois; and

ii. Print on their invoices to any such Distributor or Retailer a clear and conspicuous warning that Posh E-Cigarettes are not for sale or distribution to any Person in Illinois;

Sections 23(b)(i)-(ii) above are applicable to any Posh E-Cigarette that lacks a marketing granted order from the FDA when required by 21 U.S.C. § 387j. In the event that a marketing granted order is obtained in the future, these procedures are no longer required as to the particular Posh E-Cigarette covered by the marketing granted order.

c. Notwithstanding the prohibition in section 23(a), if Defendants obtain the agreement in section 23(b)(i) with their Distributors and Retailers and include the required terms and conditions language in their invoices in section 23(b)(ii), they will not be deemed to have violated this Final Judgment and Consent Order if such Distributor or Retailer, without prior knowledge of or direction by Defendants, sells, offers for sale, distributes or otherwise provides Defendant's products to any Person located in Illinois. However, if Defendants become aware that a Distributor or Retailer has violated the written agreement, or terms and conditions of the sale, as applicable, with Defendants by further selling, offering for sale, distributing, or otherwise providing Posh E-Cigarettes to a Person located in Illinois then Defendants shall impose the following penalties:

i. First Violation: Defendants shall issue a letter notifying the Distributor or Retailer of its first violation. The letter shall reiterate the requirements of the written agreement, or the terms and conditions of the sale.

ii. Second Violation: If a second violation occurs, Defendants shall issue a letter notifying the Distributor or Retailer of the second violation. Defendants shall then permanently cease doing business with the Distributor or Retailer upon a second violation. Defendants shall also notify the Distributor or Retailer of this enforcement action.

d. A failure by Defendants to complete the actions required in the above sections 22(c)(i-ii) shall be considered a violation of this Judgment.

e. Within 5 business days of Defendants becoming aware of a violation pursuant to Section 22(c) of this Judgment, Defendants shall notify Plaintiff of (1) the name of the offending Distributor or Retailer; (2) the last known contact information of the offending Distributor or Retailer; and (3) which Posh E-Cigarettes and the amount of Posh E-Cigarettes that were sold, offered for sale, distributed, or otherwise provided to Persons located in Illinois.

Advertising to Youth

f. Defendants shall not Advertise or Market any E-Cigarettes in this State in a manner that violates Section 25(d)(1) or 25(d)(2) of the Preventing Youth Vaping Act, 410 ILCS 86/25(d)(1), (d)(2). Specifically, in its Advertising or Marketing for E-Cigarettes in this State, Defendants shall not:

   i. Include cartoons;

   ii. Incorporate images, characters, or phrases similar to those popularly used to advertise to children;

   iii. Include visual or textual references to videogames, movies, videos, and/or animated television shows popular with persons under 21 years of age;

   iv. Use or depict any individuals, be it a model or other image of an individual, using any E-Cigarette;

   v. Depict or portray any individual under the age of 35 years old;

   vi. Retain, compensate, or encourage influencers or any other individuals to Market E-Cigarettes on an individual's personal account, or any account controlled in whole or in part by that individual, on any Social Media platform.

g. Defendants shall require business credentials, such as copies of business licenses or, where applicable, tobacco product distributor or retailer licenses or permits, or will use a commercially available database or aggregate of databases, consisting primarily of data from government sources, that are regularly used by government and businesses for the purpose of age and identity verification and authentication (*see* 15 U.S. Code § 376a(b)(4)(A)(iii)), to ensure that only genuine businesses or individual consumers who are 21 years of age or older are able to access any website that Defendants own and operate and where they Advertise and Market E-Cigarettes;

h. Defendants shall place and maintain all available platform-provided age gating tools on all Social Media accounts where they Advertise and Market E-Cigarettes, to prevent Persons under the age of 21 from accessing or viewing any promotional content. This provision applies to all Social Media accounts that could potentially be seen by Consumers in Illinois;

i. Defendants shall not form or operate a separate entity or corporation or retain any third party which engages in acts prohibited in this Judgment or for any other purpose which would otherwise circumvent any part of this Judgment.

SEVERABILITY

23. If any portion of this Judgment is held to be invalid, unenforceable, or void for any reason whatsoever, then such portion will be severed from the remainder, and will not affect the validity and enforceability of the remaining portions of this Judgment.

PAYMENT TO THE STATE

24. Upon entry of this Final Judgment and Consent Order, Defendants shall pay $20,000,000 to the Office of the Illinois Attorney General. Defendants will make this payment in equal installment payments as outlined: $5,000,000 within 14 days of the Effective Date of this Final Judgment and Consent Order; $5,000,000 on or before June 1, 2027; $5,000,000 on or before June 1, 2028; and $5,000,000 on or before June 1, 2029. Payment shall be made as directed by the Attorney General into one or more of the following funds: (i) the Attorney General State Projects and Court Ordered Distribution Fund (the 801 Fund); or (ii) the Attorney General Court Ordered and Voluntary Compliance Payment Projects Fund (the 542 Fund). Such funds may be used by the Illinois Attorney General for any purpose authorized by Section 7(e) of the Consumer Fraud Act, 815 ILCS 505/7(e). Defendant shall not be entitled to further accounting regarding the money deposited into this account.

AUTHORIZATION

25. The undersigned representative of each party certifies that s/he is fully authorized by the party s/he represents to enter into the terms and conditions of the Final Judgment and Consent Order and to legally bind the party s/he represents to the Final Judgment and Consent Order.

26. Defendants acknowledge that they have read and understand the terms and conditions of this Final Judgment and Consent Order, and understand the legal obligations imposed upon them by this Final Judgment and Consent Order.

EVIDENCE OF POTENTIAL VIOLATIONS

27. If the Attorney General determines that Defendants are potentially in violation of any provisions of this Judgment, the Attorney General shall notify Defendants in writing of the potential violation and Defendants shall thereafter have 15 calendar days from receipt of such written notice, or such additional time as Defendants and the Attorney General agree to in writing, to provide a good faith written response to the Attorney General's notification. The written response shall include (A) a statement explaining why Defendants believe they are in compliance with this Judgment; or (B) a detailed explanation of how the alleged violation(s) occurred, and (i) a statement that the alleged violation has been addressed and how, or (ii) a statement that the alleged violation cannot be reasonably cured within 15 days from receipt of the notice, but (a) Defendants have begun to take corrective action(s), (b) Defendants are pursuing such corrective action(s) with reasonable diligence, and (c) Defendants have provided the Attorney General with a reasonable timetable for addressing the alleged violation.

28. After providing Defendants an opportunity to respond to the notification described in Paragraph 27, the Attorney General may assert any claim that Defendants have violated this Judgment to enforce compliance with this Judgment, or may seek any other relief afforded by law for violations of this Judgment.

29. Notwithstanding the notification and response procedure set forth in Paragraph 27, the Attorney General may take any action at any time if it believes that a threat to the health or safety of the public requires immediate action.

30. Nothing in this Section shall limit the State's Civil Investigative Demand or investigative subpoena authority.

CONFLICTS

31. If a state or federal entity enacts, promulgates, amends or rescinds legislation, regulations, or rules with respect to matters governed by these terms that Defendants believe create a conflict with any of these terms such that compliance with this Consent Decree becomes impossible, Defendants shall notify the Attorney General and identify which term(s) Defendants believe they cannot comply with. The Parties shall meet and confer in good faith to attempt to resolve any disagreement regarding the potential conflict and may modify this agreement as appropriate and agreed to by the Parties. If the Parties are unable to resolve any disagreement regarding the potential conflict, either Party may petition the Court to seek an appropriate resolution.

RELEASE

32. Upon the Effective Date of this Judgment, the Attorney General shall fully and finally release and forever discharge Defendants as defined in Paragraph 9 from any and all civil claims that the Attorney General brought, or could have brought based on or arising from the acts, practices, or omissions alleged in the Complaint through the Effective Date of this Consent Judgment.

33. This Judgment does not bind any other officers or agencies of the State of Illinois.

34. This Judgment shall not be construed to and does not resolve any other action: civil, criminal, or administrative, as provided by law. Notwithstanding any term of this Judgment, any and all of the following forms of liability are specifically reserved and not released under Paragraph 32:

a. Any criminal liability;

b. Any liability for state or federal securities violations;

c. Any liability for state or federal tax violations;

d. Any state or federal antitrust liability;

e. Any state or federal environmental liability;

f. Any state or federal Medicaid claims; and

g. Any enforcement of the terms of this Consent Judgment.

35. This Judgment does not limit the rights of any private party to pursue any private remedies allowed by law; provided that this Judgment is not intended to create any private right of action by other parties.

JURISDICTION RETAINED

36. Jurisdiction is expressly retained by this Court for the purpose of enforcing compliance with this Judgment.

37. Violation of this Judgment may result in proceedings against Defendants, including an action for contempt of court.

SO ORDERED:

Dated: 8.3.26

Neil H. Cohen #2021

Honorable Neil H. Cohen

SO STIPULATED AND APPROVED:

PLAINTIFF:

THE PEOPLE OF THE STATE OF ILLINOIS, by KWAME RAOUL,

Attorney General of Illinois

BY: ______________________
Greg Grzeskiewicz
Chief, Consumer Fraud Bureau

DATE: 08|03|2026

Susan Ellis
Consumer Protection Division, Chief

Greg Grzeskiewicz
Consumer Fraud Bureau, Chief

Andrea Law
Health Care Bureau, Deputy Chief

Haley Comella
Assistant Attorney General
Consumer Fraud Bureau

DEFENDANTS:

CHICAGO MERCHANDIZE COMPANY, FUMA VAPOR INC., and IONE WIRELESS, INC.

Signed by:

BY: ______________________
20F2CC2D12B0405...
Name: Mohammad Siddique
Title: Owner

DATE: 7/31/2026