

## Holme Roberts & Owen LLP

June 18, 2003



VIA FAX (916/323-0813)

Dennis Eckhart, Esq.  
Senior Assistant Attorney General  
State of California Department of Justice  
1300 I Street, Suite 125  
Sacramento, CA 94244-2550

Re: California Attorney General's Office Correspondence

Dear Mr. Eckhart:

As a matter of reintroduction, this firm represents the Professional Rodeo Cowboys Association ("PRCA"). Steve Smith of our office sent you correspondence in mid-April in response to your letter dated February 25, 2003 regarding tobacco policies at rodeos in California. In this prior correspondence, we informed you that we were discussing with U.S. Smokeless Tobacco Company ("USSTC") the extent of their sponsorship rights granted by PRCA and its marketing subsidiary, PRCA Properties, Inc. ("PRCAP"). Again, we thank you for your patience while we worked through this issue with USSTC.

As explained in our prior correspondence, PRCA and PRCAP normally protect their sponsors from ambush marketing by prohibiting PRCA rodeo committees from accepting sponsorships from entities opposing the use of products or services provided by PRCA sponsors. However, after discussing the USSTC and PRCAP sponsorship with representatives from USSTC, we have determined that the USSTC sponsorship does not limit California rodeo committees from declining tobacco sponsorship, banning the use of tobacco products or accepting public service messages regarding tobacco use. We are attaching a letter we received from the attorneys from USSTC which should further clarify the lack of such restrictions in the sponsorship relationship between USSTC and PRCAP.

Further, we wish to assure you that neither USSTC nor PRCAP intends to violate any law, regulation or the Smokeless Tobacco Master Settlement Agreement.

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If we can be of any additional assistance, please do not hesitate to contact either Steve Smith or myself.

Very truly yours,



Jill J. Chalmers

JJC:jlc  
Enclosure

cc: Steven J. Hatchell (w/enc.)  
Steve Rempelos (w/enc.)  
Steven B. Smith (w/o enc.)