

3. The Attorney General is charged with enforcing violations of the Delivery Sales Ban, as well as violations of the CPA. Each shipment of an item listed in 7 V.S.A. § 1010(b) constitutes a separate violation of the Delivery Sales Ban and CPA. 7 V.S.A. § 1010(d).
4. Violations of the Delivery Sales Ban are subject to a civil penalty of up to \$5,000 per violation in addition to any other remedy provided by law. 7 V.S.A. § 1010(d)(2).
5. Violations of the CPA are subject to a civil penalty of up to \$10,000 for each unfair or deceptive act or practice. 9 V.S.A. § 2458(b)(1).
6. The Attorney General may also seek injunctive relief under both the Delivery Sales Ban and the CPA. 7 V.S.A. § 1010(d)(3); 9 V.S.A. § 2458(a).

BACKGROUND

7. Respondent Magma Holding, Inc. is organized under the laws of Nevada, with a place of business located at 3010 East Alexander Road Suite 1002, Las Vegas, Nevada 89030.
8. Respondent Magma Holding, Inc. operates www.eightcig.com, which is an online retailer of electronic cigarettes and related products.
9. In addition to its online retail business, Magma Holding, Inc. operates a wholesale drop shipping program. Drop shipping is a business model in which a “drop shipping retailer” does not keep goods in stock, but rather transfers customer orders to another business which then ships the goods directly to the customer.
10. From July 2019 to May 2021, Respondent Magma Holding, Inc. shipped electronic cigarettes, e-liquids, and other tobacco substitutes and paraphernalia ordered through drop shipping retailers to individual consumers in Vermont. Respondent shipped such products on 176 separate occasions.
11. Respondent admits the truth of all facts set forth in Paragraphs 7-10.

12. Respondent admits that the above conduct constitutes violations of the Delivery Sales Ban, 7 V.S.A. § 1010(b), and violations of the CPA, 9 V.S.A. Chapter 63.

INJUNCTIVE RELIEF

13. Respondent shall comply with the Delivery Sales Ban, 7 V.S.A. § 1010, and the Vermont Consumer Protection Act, 9 V.S.A. Chapter 63.

14. Respondent shall provide a clear and conspicuous disclosure on its website www.eightcig.com stating that the website does not ship the items listed in 7 V.S.A. § 1010(b) to Vermont consumers, including on behalf of drop shipping retailers, unless the consumer is a licensed wholesale dealer or retail dealer in the State of Vermont. Such disclosure shall be submitted to the Attorney General for approval within five days of execution of this AOD.

15. Respondent shall immediately notify every consumer with a Vermont address that attempts, through www.eightcig.com, to purchase an item listed in 7 V.S.A. § 1010(b) that the website does not ship such items to Vermont consumers unless the consumer is a licensed wholesale dealer or retail dealer in the State of Vermont.

16. Respondent shall require all Vermont licensed wholesale dealers and retail dealers to provide a current license number prior to ordering any items listed in 7 V.S.A. § 1010(b) through www.eightcig.com.

CIVIL PENALTY

17. Respondent shall pay \$90,500 in civil penalties to the State of Vermont. The first payment (\$75,000) shall be paid by June 15, 2022. The second payment (\$15,500) shall be paid by December 15, 2022. Respondent shall make payment by check to the “State of Vermont” and send payment to: Shannon Salembier, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609.

OTHER TERMS

- 18. Respondent agrees that this AOD shall be binding on it, and its successors and assigns.
- 19. The Attorney General hereby releases and discharges any and all claims arising under the Delivery Sales Ban, 7 V.S.A. § 1010, and the Vermont Consumer Protection Act, 9 V.S.A. Chapter 63, that it may have against Magma Holding, Inc. for the conduct described in the Background section of this AOD.
- 20. The Superior Court of the State of Vermont, Washington Unit, shall have jurisdiction over this AOD and the parties hereto for the purpose of enabling the Attorney General to apply to this Court at any time for orders and directions as may be necessary or appropriate to enforce compliance with or to punish violations of this AOD.
- 21. Acceptance of this AOD by the Attorney General’s Office shall not be deemed approval by the Attorney General of any practices or procedures of Respondent not required by this AOD, and Respondent shall make no representation to the contrary.

STIPULATED PENALTIES

- 22. If the Superior Court of the State of Vermont, Washington Unit enters an order finding Respondent to be in violation of this Assurance of Discontinuance, then the parties agree that penalties to be assessed by the Court for each act in violation of this Assurance of Discontinuance shall be \$10,000.

NOTICE

- 23. Respondent may be located at:

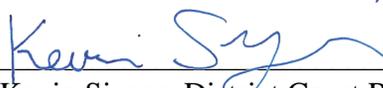
Magma Holding, Inc.
3010 East Alexander Road Suite 1002
Las Vegas, Nevada 89030

24. Respondent shall notify the Attorney General of any change of business name or address within 30 calendar days.

SIGNATURE

In lieu of instituting an action or proceeding against Magma Holding, Inc., the Office of the Attorney General, pursuant to 9 V.S.A. § 2459, accepts this Assurance of Discontinuance. By signing below, Respondent voluntarily agrees with and submits to the terms of this Assurance of Discontinuance.

DATED at Los Angeles, California, this 22nd day of March, 2022.



Kevin Singer, District Court Receiver and
Authorized agent of Magma Holding, Inc.

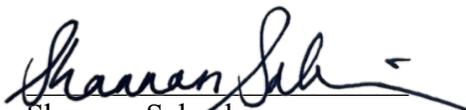
ACCEPTED on behalf of the Attorney General:

DATED at Montpelier, Vermont this 28th day of March, 2022.

STATE OF VERMONT

THOMAS J. DONOVAN, JR.
ATTORNEY GENERAL

By:



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