

NATIONAL ASSOCIATION OF ATTORNEYS GENERAL
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Executive Director

January 21, 2005

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Attorney General of California

VIA FIRST CLASS MAIL

Louise M. Parent, Esq.
General Counsel
American Express Company
200 Vesey Street
New York, NY 10285

Dear Ms. Parent,

The undersigned attorneys general are writing to request your assistance in stopping illegal sales of tobacco products over the Internet by means of American Express credit cards.

Based on a number of recent investigations, we have concluded that most, if not all Internet tobacco purchases are paid for with a credit card. Additionally, virtually all online tobacco retailers engage in illegal sales for at least one of the following reasons: (1) they make no effort to verify the age of their customers, as required by state and local laws; (2) they do not report shipments of cigarettes to the tobacco tax administrator of the state into which such shipments are made as required by 15 U.S.C. § 375 et seq. ("the Jenkins Act"); (3) they violate laws in certain states specifically regulating and/or prohibiting the sale of tobacco products over the Internet; (4) they violate state tax laws; and/or (5) they utilize the Internet and the mail to complete illegal tobacco transactions, in violation of federal wire fraud and mail fraud statutes.

Since these sales are illegal, American Express should not allow its credit cards to be used to purchase tobacco products over the Internet unless and until a specific retailer can prove that it is not selling its tobacco products over the Internet in violation of state or federal laws. We therefore request that American Express and its affiliated companies take appropriate steps to ensure that its credit card is not used to facilitate violations of state and/or federal laws.

We appreciate your assistance in this matter. We look forward to discussing these issues with you and finding out what steps American Express will take to address this serious problem.

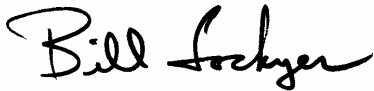
Sincerely,



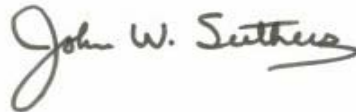
Gregg Renkes
Attorney General of Alaska



Mike Beebe
Attorney General of Arkansas



Bill Lockyer
Attorney General of California



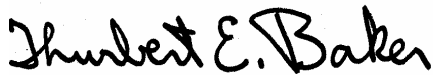
John W. Suthers
Interim Attorney General of Colorado



Richard Blumenthal
Attorney General of Connecticut



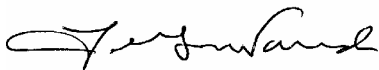
Robert J. Spagnoletti
Attorney General, District of Columbia



Thurbert E. Baker
Attorney General of Georgia



Mark J. Bennett
Attorney General of Hawaii



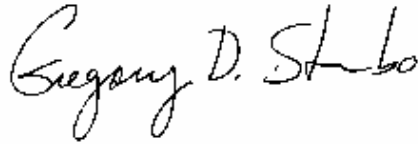
Lawrence Wasden
Attorney General of Idaho



Lisa Madigan
Attorney General of Illinois



Tom Miller
Attorney General of Iowa



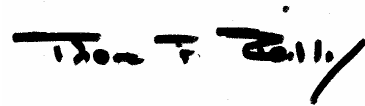
Gregory D. Stumbo
Attorney General of Kentucky



Charles C. Foti
Attorney General of Louisiana



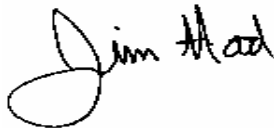
J. Joseph Curran
Attorney General of Maryland



Tom F. Reilly
Attorney General of Massachusetts



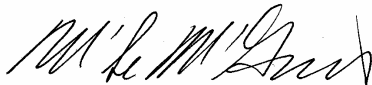
Michael A. Cox
Attorney General of Michigan



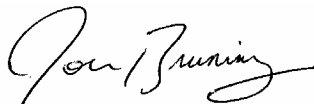
Jim Hood
Attorney General of Mississippi



Jeremiah W. Nixon
Attorney General of Missouri



Mike McGrath
Attorney General of Montana



Jon Bruning
Attorney General of Nebraska



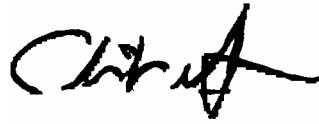
Brian Sandoval
Attorney General of Nevada



Peter J. Harvey
Attorney General of New Jersey



Patricia Madrid
Attorney General of New Mexico



Eliot Spitzer
Attorney General of New York



Roy Cooper
Attorney General of North Carolina



Wayne Stenehjem
Attorney General of North Dakota



Pam Brown
Attorney General of the
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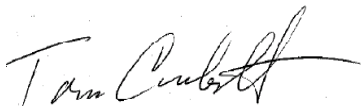
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W. A. Drew Edmondson
Attorney General of Oklahoma



Hardy Myers
Attorney General of Oregon



Tom Corbett
Attorney General of Pennsylvania



Roberto J. Sanchez Ramos
Attorney General of Puerto Rico



Patrick C. Lynch
Attorney General of Rhode Island




Henry McMaster
Attorney General of South Carolina



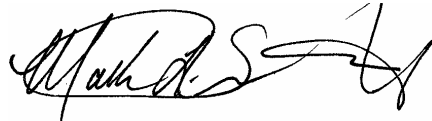
Lawrence E. Long
Attorney General of South Carolina



Paul Summers
Attorney General of Tennessee



Greg Abbott
Attorney General of Texas



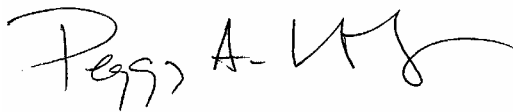
Mark Shurtleff
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William H. Sorrell
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Peggy A. Lautenschlager
Attorney General of Wisconsin



Mike Hatch
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