



The Vaping Industry

A \$3.5 BILLION DOLLAR INDUSTRY IN JEOPARDY

("TOBACCO PRODUCTS" SUBJECT TO THE FEDERAL FOOD, DRUG, AND COSMETIC ACT, AS AMENDED BY THE FAMILY SMOKING PREVENTION AND TOBACCO CONTROL ACT)

Potential Job Losses

- ▶ Approximately 7,500 retail vape shops
 - ▶ Average number of employees: 4
 - ▶ Impact: 30,000 jobs
- ▶ Approximately 8,000 e-liquid manufacturers
 - ▶ Average number of employees: 5
 - ▶ Impact: 40,000 jobs
- ▶ Thousands of online shops
 - ▶ Average number of employees: 3
- ▶ Hundreds of accessory companies
- ▶ Dozens of events, magazine and ad sales
- ▶ Many distributors & wholesalers

100,000+
Jobs lost

How Do We Know?



- ▶ VapeMentors has helped entrepreneurs open or grow vape industries since July, 2013
- ▶ They include retail shops, e-liquid manufacturers, distributors, importers and hardware manufacturers
- ▶ Founder, Norm Bour, worked with the SBA and SBDC in Orange County, CA, 2009-2011 and provided workshops and focus groups in partnership with cities to support their businesses
- ▶ We understand the challenges of small business
- ▶ We report on the industry through VAPE magazine, VAPE radio and various media outlets

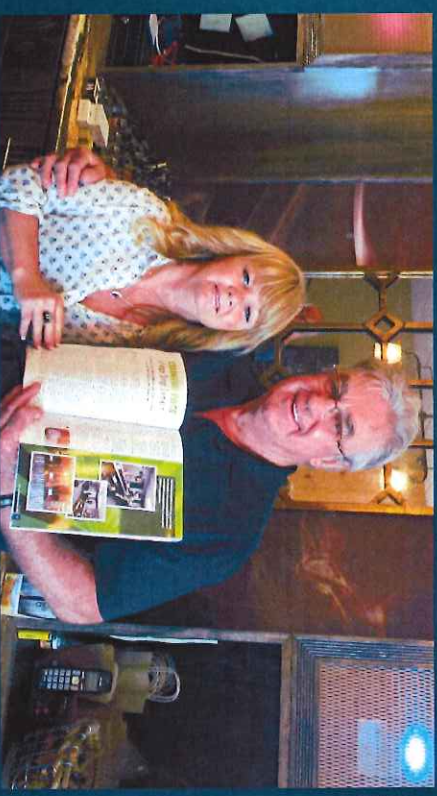
Profile of a Vape Show Owner



- ▶ Usually 25-45 years old, but demographics are skewing **older** and a high percentage are **female baby boomers**
- ▶ Invested in excess of \$50,000
- ▶ In many cases they lost jobs and could not find another. They may be “**unemployable**”
- ▶ They have great passion for what they do and are not driven solely by money
- ▶ This is a profession for the “every-man” or in many cases, the “every-woman”

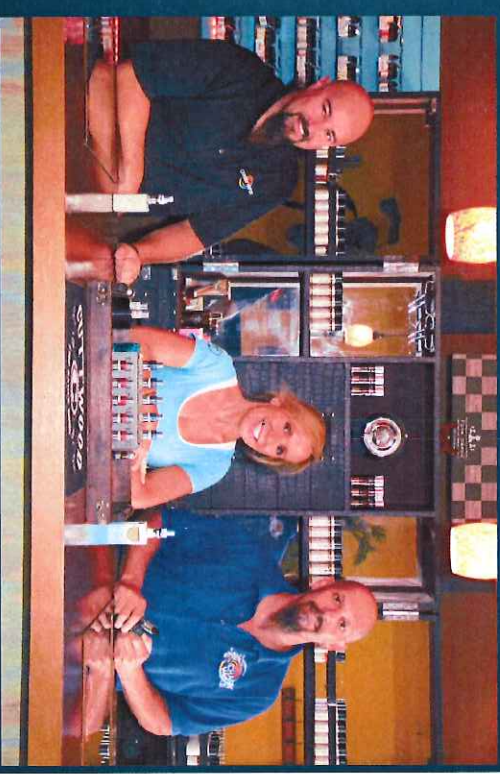
Women Baby Boomers in the Vape Space

- ▶ Cyndi Peute, age 58, opened Vaporz Vault in Hobart, IN, Jan., 2015
- ▶ She left US Steel after 17 years and never owned a business
- ▶ They employ four full time, plus support
- ▶ Additional locations are planned



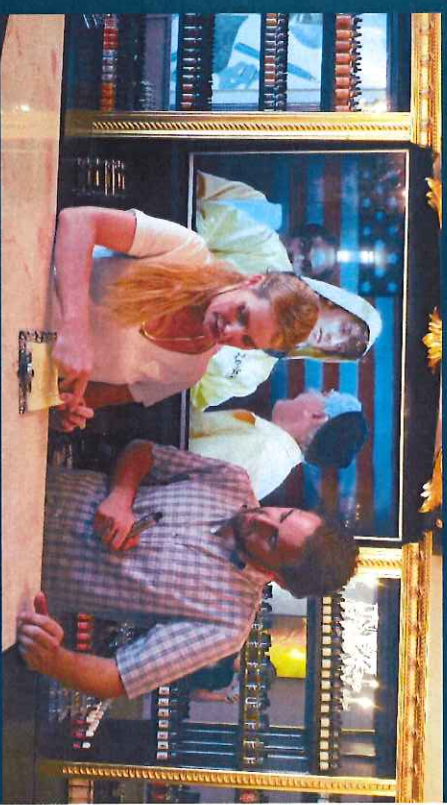
Women Baby Boomers in the Vape Space

- ▶ Dani Radigan, age 54, opened Chasin' Vapors in Pewaukee, WI, June, 2014
- ▶ She is a single mother that may have a hard time gaining full employment again
- ▶ She now employs ten



Women Baby Boomers in the Vape Space

- ▶ Dorinda Stornton, age 54, opened Hollywood Vapors in Fresno, CA, July, 2015
- ▶ She was a former nurse who saw first hand the benefit of vaping over cigarettes
- ▶ She now employs three



Profile of an E-liquid Manufacturer



- ▶ Usually 30-55 years old, primarily male
- ▶ Invested in excess of \$20,000
- ▶ Many are creative, with skills in culinary arts or other creative outlets
- ▶ They also have great passion for what they do and are not driven solely by money

Effects of Current Proposed Regulations

- ▶ Limiting or eliminating sampling in shops
- ▶ Costs of bringing new products to market will be prohibitive
- ▶ Entrepreneurs entering the vape industry will be scared off if FDA requirements are excessive or restrictive

What is a “Tobacco Manufacturer?”

- ▶ A “vape shop owner” should **not** be considered a tobacco manufacturer
- ▶ A vape shop should be considered a “retailer” and not be subject to unreasonable FDA requirements
- ▶ They should be restricted to selling to minors (below age 18)
- ▶ Vape shop products should use child-resistant packaging and closures on e-liquid bottles

Vape Shop Guidelines



- ▶ They should not be required to register with the FDA and comply with reasonable state and local government licensing and other requirements
- ▶ They should comply with warning and advertising requirements
- ▶ They should maintain adequate cleanliness and safety standards
- ▶ They should be permitted to offer samples

For more information

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