



**HECTOR BALDERAS
ATTORNEY GENERAL**

NPM QUARTERLY ESCROW CERTIFICATION

Certificate of Compliance by Non-Participating Manufacturer Regarding Escrow Payment

GENERAL INFORMATION: What is the definition of a tobacco product manufacturer?

1. Any entity that manufactures cigarettes and/or roll-your-own tobacco anywhere, and that said manufacturer intends to be sold in the United States, including cigarettes to be sold in the United States through an importer;
2. The first purchaser anywhere for resale in the United States of cigarettes manufactured anywhere that the manufacturer does not intend to be sold in the United States; or
3. A successor of any entity described above.

Who is required to file this certificate of compliance?

Any tobacco product manufacturer which:

- (1) sells cigarettes within the state of New Mexico (whether directly or through any distributor, retailer, or similar intermediary) and;
- (2) is not a Participating Manufacturer or Subsequent Participating Manufacturer, as defined in the tobacco Master Settlement Agreement executed on 12/23/98 between 46 U.S. States and territories, including New Mexico, and certain tobacco companies (the MSA).

If you satisfy these requirements, you must file this certificate of compliance to report the units of cigarettes manufactured by you and sold in New Mexico and pay the amount calculated into your qualified escrow fund.

What is a Non-Participating Manufacturer?

A Non-Participating Manufacturer is any tobacco product manufacturer who has not signed on to the MSA.

What is a qualified escrow fund?

A non-participating manufacturer must establish a qualified escrow fund. This means

an escrow arrangement with a U.S. federal or U.S. state-chartered financial institution having no affiliation with any tobacco product manufacturer and having assets of at least \$ 1,000,000,000, where such arrangement (1) requires that the financial institution hold the escrowed funds' principal for the benefit of the State of New Mexico and other "Releasing Parties" as defined in the Master Settlement Agreement and (2) prohibits the non-participating manufacturer from using, accessing, or directing the use of the funds' principal except as consistent with NMSA 1978, Section 6-4-13 (B).

When is this certificate of compliance due?

This certificate of compliance is to be filed quarterly, as follows:

1st Quarter (January through March) – due April 30 of that year

2nd Quarter (April through June) – due July 30 of that year

3rd Quarter (July through September) – due October 30 of that year

4th Quarter (October through December) – due January 31 of the next year

0 following the sales year

Note: For 1999, the sales year in New Mexico is June 18, 1999 –December 31 1999.

After 1999, the sales year is a calendar year, from January 1 through December 31.

When must I make my escrow payment?

You must deposit all escrow payments into your qualified escrow fund quarterly by the due date of your certificate of compliance set forth in the paragraph above. 1st Quarter is due April 30, 2nd Quarter is due July 30, 3rd Quarter is due October 30 and 4th Quarter is due January 31 of the next year following the sales year. After you have made your deposits, forward a copy of your receipt or other proof of deposit from your financial institution, along with this signed and notarized certificate of compliance. In addition, after you have made your initial deposit into the qualified escrow fund, forward a copy of the escrow agreement as executed.

SPECIFIC INSTRUCTIONS:

Part 1: Manufacturer's Identification: Write your name, address, telephone and fax number.

Part 2: Sales Year: Write the sales year. For the year 1999, the sales year is June 18, 1999 — December 31, 1999. After 1999, the sales year is a calendar year, from January 1 through December 31.

Part 3: Units Sold: Write the number of individual cigarettes and the amount of "roll-your own" tobacco (.09 ounces constitutes one cigarette) manufactured by you and sold during the sales year in New Mexico. This includes all individual cigarettes on which any New Mexico stamp is affixed (tax paid, tax credit and tax exempt).

Part 4: Deposit Amount: Write the appropriate rate for the sales year. Multiply the units of cigarettes by the appropriate rate and write the result as your subtotal. Calculate the appropriate inflation adjustment according to Exhibit C of the tobacco

Master Settlement Agreement and enter the amount. Add the subtotal and the inflation adjustment amount to arrive at the total deposit to be paid into your qualified escrow account for the applicable sales year.

Part 5: Financial Institution Write the name and address of the financial institution holding your escrow account. Include your escrow account number. Also write the total cumulative amount currently in your escrow account.

Part 6: Signature An authorized notary public must also sign and date this certificate of compliance.

**QUARTERLY Certificate of Compliance by Non-Participating Manufacturer
Regarding Escrow Payment State of New Mexico**

Part 1: Manufacturer's Identification:

Name: _____
Address: _____
Phone: _____

Part 2: Sales Year 2015

1st Quarter: _____
2nd Quarter: _____
3rd Quarter: _____
4th Quarter: _____

The Quarter for Sales for this Certificate of Compliance is: *(Complete a separate certificate for each year of sales if you are reporting for more than one calendar quarter.)*

Part 3: Units Sold

Number of individual cigarettes and "roll-your-own" tobacco, sold by the Manufacturer identified above during the sales quarter marked in Part 2 in New Mexico is as follows: *(See instructions for details)*

Part 4: Escrow Rates and Payments

For the sales quarter: *(Use the rates listed below to figure the appropriate deposit subtotal amount)*

1999- The rate per cigarette is.....	0.0094241
2000 - The rate per cigarette is.....	0.0104712
2001 - 2002 - The rate per cigarette is.....	0.0136125
2003 - 2006 - The rate per cigarette is.....	0.0167539
2007 and thereafter - The rate per cigarette is.....	0.0188482

The appropriate deposit subtotal is \$ _____
(Multiply units in Part 3 by the appropriate rate in Part 4)

The appropriate inflation adjustment for the sales quarter is \$ _____
(Multiply the greater of 3% or the CPI on the Inflation Adjustment Percentage applicable to payments due in the prior year. The inflation adjustment for the 2000 payment for 1999 sales is the subtotal times 3%. The inflation adjustment for the 2001 payment for 2000 sales is the subtotal times 6.48841%) Refer to Exhibit C of the tobacco Master Settlement Agreement.

The total amount that has been paid into the qualified escrow fund by the Manufacturer identified above for the sales quarter \$ _____
(add deposit subtotal and the inflation adjustment amount)

Note: For the initial deposit, attach a copy of your executed escrow agreement and for all deposits attach copies of your receipt or other proof of deposit from your financial institution.

Part 5: Financial Institution

Name of Institution: _____
Address: _____
Escrow Acct No: _____
Total Amt Held: _____

Part 6: Signature

Under penalty of perjury, I state that, to the best knowledge, all of the information contained in this Certificate of compliance is true and accurate.

This certificate of compliance must also be signed and dated by an authorized notary public.

Name of Authorized Agent: _____ Title: _____

Signature of Authorized Agent: _____ Date: _____

Subscribed and sworn to before me on this date: _____

Signature of Notary Public: _____

City or County of: _____

My Commission expires: _____

Mail this certificate of compliance to:

Office of the New Mexico Attorney General
Attn: Tobacco Project
P.O. Drawer 1508
Santa Fe, NM 87504-1508
Fax: 505-827-6036

Street Address for Overnight or hand delivery:

c/o Phillip M. Bachicha
New Mexico Attorney General Tobacco Project
408 Galisteo
Santa Fe, NM 87504