



**CERTIFICATION OF COMPLIANCE AND AFFIDAVIT BY
NON-PARTICIPATING TOBACCO PRODUCT MANUFACTURER
REGARDING DEPOSIT OF RESERVE FUNDS INTO ESCROW**

Year: _____ *

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*If your Company is required to make deposits into escrow more frequently than annually, indicate the specified reporting period for which deposit was made:

Quarter ending: _____ Other Period: _____ to _____

Complete a separate Certification of Compliance for each reporting period

NOTE TO DISTRIBUTORS: YOU MAY STAMP AND SELL ONLY THE BRANDS OF MANUFACTURERS WHICH ARE LISTED ON THE ATTORNEY GENERAL'S DIRECTORY: [HTTP://CAAG.STATE.CA.US/](http://CAAG.STATE.CA.US/). PRODUCTS NOT LISTED ON THE DIRECTORY ARE CONTRABAND AND SUBJECT TO SEIZURE AND FORFEITURE.

This Certification Is Not Valid Unless a stamp from the Attorney General's Office appears in the box below.

For Official Use Only

A Copy of This Stamped Certification of Compliance Must Be Provided to California Distributors and Wholesalers Which Sell Your Product.

Part 1: Tobacco Product Manufacturer's Identification*

Company Name: _____

Street Address: _____

E-mail Address: _____

Phone Number: _____ Fax Number: _____

Board of Equalization (BOE) Manufacturer's License No.: _____

***All manufacturers (i.e., fabricators) must complete and sign this Certification. Use as many copies of this form as needed.**

Part 2: Units Sold

Total number of individual Cigarettes, including "roll-your-own" tobacco, sold by the manufacturer identified above during the sales period is: _____

(Attach Brand Families Unit Sales Schedule 1 (JUS-TOB4)

Part 3: Calculation of Deposit Amount

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

| | |
|---|-----------|
| 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 rate for the sales year is

Subtotal *(Multiply units in Part 2 by the appropriate rate in Part 3)* \$ _____

The Inflation Adjustment according to Exhibit C* of MSA is \$ _____

This is the amount that has been paid into the Qualified Escrow Fund by the manufacturer identified above:

Total: \$ _____

**See instructions and attached copy of Exhibit C to the MSA*

**PROOF OF DEPOSIT OF THE ABOVE AMOUNT
FROM YOUR FINANCIAL INSTITUTION MUST BE ATTACHED.**



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Part 4: Financial Institution Information

Name: _____
Address: _____
Authorized Escrow Agent: _____
Phone Number: _____ Fax Number: _____
Escrow Account Number: _____
Total Funds Held in Separate Account For California: \$ _____

Part 5: Notarized Signature

Under penalty of perjury under the laws of the state of California, I declare that I am authorized to certify, on behalf of the Tobacco Product Manufacturer named in Part 1, that all of the certifications and information contained in this Certification of Compliance is complete and accurate.

This document must also be signed and dated in front of an authorized notary public, who also signs as a witness.

Name (Type or Print): _____ Title: _____
Signature of Authorized Agent: _____ Date: _____
Subscribed and Sworn to Before Me on this Date: _____ City of: _____
Signature of Notary Public: _____
Commission Expires: _____
Name (Type or Print): _____

This form must be filed with the Attorney General's Office:

Mailing Address:

Office of the Attorney General
for the State of California
Tobacco Litigation & Enforcement Section
P.O. Box 944255
Sacramento, CA 94244-2550

Street Address:

Office of the Attorney General
for the State of California
Tobacco Litigation & Enforcement Section
1300 I Street, Suite 125
Sacramento, CA 95814

OR

**Certification of Compliance and Affidavit by Non-Participating Tobacco Product Manufacturer
Regarding Deposit of Reserve Funds into Escrow—INSTRUCTIONS (JUS-TOB3)**

GENERAL INFORMATION

What is the definition of a Tobacco Product Manufacturer (TPM)?

- Any entity that manufactures Cigarettes (including roll-your-own tobacco) anywhere that such manufacturer intends to be sold in the United States, including Cigarettes that are intended to be sold in the United States through an importer;
- 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
- A successor of any entity described above (Health & Safety Code, section 104556(i)).

Who is required to file this Certification of Compliance?

- Any Tobacco Product Manufacturer which:
 - (1) sells Cigarettes to consumers within the state of California (whether directly or through any distributor, retailer, or similar intermediary); and
 - (2) has not become a Participating Manufacturer in the tobacco Master Settlement Agreement.
- You must file this Certification of Compliance to report the units of Cigarettes sold and deposit the amount owed into your Qualified Escrow Fund.
- If the TPM filing this Certification of Compliance is not the manufacturer (ie., fabricator) of the Cigarettes, all fabricators must complete and sign this form.

What is a Non-Participating Manufacturer?

A Non-Participating Manufacturer is any TPM who has not signed the tobacco Master Settlement Agreement, executed on 11/23/98 between 46 U.S. States, including California, and certain tobacco companies. *(See 999.10b(3))*

What is a Qualified Escrow Fund?

A Qualified Escrow Fund means an escrow arrangement with a federally or 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 California and other "releasing parties" as defined in the Master Settlement Agreement, and (2) prohibits you from using, accessing, or directing the use of the funds' principal except as consistent with Health & Safety Code section 104557(b) or after 25 years, whichever occurs first.

When is this Certification of Compliance due?

This Certification of Compliance must be filed annually (on or before April 30th of the year following the sales year), unless the manufacturer is required by regulation or directed by the Attorney General to submit this form more frequently, e.g., quarterly (on or before the following dates: April 21, July 20, October 21, and January 21) or other specified period.

When must I make my escrow deposit?

You must deposit the required reserve funds into your Qualified Escrow Fund annually (on or before April 15th of the year following the sales year), unless the manufacturer is required by regulation or directed by the Attorney General to escrow more frequently, e.g., quarterly or other specified period. After you have made your deposit, forward a copy of your receipt or other proof of deposit from your financial institution, along with this Certification of Compliance to the Attorney General at the address provided at the bottom of this form.

SPECIFIC INSTRUCTIONS

Part 1: Tobacco Product Manufacturer's Identification

Include your company name, street address, e-mail address, telephone and fax numbers, and Board Of Equalization Manufacturer's license number.

Part 2: Units Sold

Enter the number of individual cigarettes, including the amount of "roll-your-own" tobacco (.09 ounces constitutes one cigarette) sold in California during the sales year. Complete and attach Brand Families Unit Sales Schedule 1 (JUS-TOB4).

Part 3: Calculation of Deposit Amount

Write the appropriate rate for the sales year. Multiply the units of cigarettes in Part 3 by the appropriate rate and enter the result as your Subtotal. Calculate the appropriate Inflation Adjustment according to Exhibit C to the MSA and enter the amount (For deposits due April 15, 2004, multiply the deposit Subtotal by 12.97355% (0.1297355)). Add the Subtotal and the Inflation Adjustment for the Total deposit you pay into your Qualified Escrow Fund.

Part 4: Financial Institution

Write the name and address of the financial institution holding your escrow account. Include your escrow account number. Also write the total amount currently in your escrow account that is held segregated and separate for California.

Part 5: Signature

An authorized notary public must also sign and date this affidavit.