Rhode Island Certificate of Compliance
by Non-Participating Manufacturer Regarding Escrow Payment

GENERAL INFORMATION

What is the definition of a tobacco product manufacturer?

• Any entity that manufactures cigarettes, including roll-your-own, 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 Sates 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.

Who is required to file this certificate of compliance?

• Any tobacco product manufacturer which:
(1) sells cigarettes within the State of Rhode Island (whether directly or through any distributor, retailer, or similar intermediary) and
(2) has not become a participating manufacturer in the tobacco Master Settlement Agreement executed on 11/23/98 (the MSA).

If you satisfy these requirements, you must file this Certificate of Compliance to report the units of cigarettes manufactured and sold in the State of Rhode Island by said tobacco manufacturer and deposit the amount calculated on into your qualified escrow fund.

What is a non-participating manufacturer?

A non-participating manufacturer is any tobacco product manufacturer who has not signed onto the MSA .

What is a qualified escrow fund?

A non-participating manufacturer that is required to file this certificate of compliance 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 Rhode Island (and possibly other "Releasing Parties" as defined in the MSA) and (2) prohibits the non-participating manufacturer from using, accessing, or directing the use of the funds' principal except as consistent with R.I. Gen. Laws §§ 23-71-1 through 3.

When is this certificate of compliance due?

This certificate of compliance is to be filed on or before April 30th of the year following the sales year.

When must I make my escrow payment?

You must deposit all escrow payments into your qualified escrow fund on or before April 15th of the year following the sales year. After you have made your deposit, forward a copy of your receipt or other proof of deposit from your financial institution to the Department of the Attorney General of the State of Rhode Island, 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. Finally, forward any amendments to the escrow agreement.

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SPECIFIC INSTRUCTIONS:

Part 1: Manufacturer's Identification. Write name, address, telephone, fax number, and electronic mail address of tobacco products manufacturer.

Part 2: Sales Year. Sale year 2008 is January 1, 2008 and December 31, 2008.

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 Rhode Island.

Part 4: Escrow Rates and Payments. Multiply the units sold by the $ **$0.0258601**per unit sold in 2008 and write the result as your total amount to be paid in the qualified escrow account.

Part 5: Financial Institution. Write the name and address of the financial institution holding your escrow account including your escrow account number. Write the amount of deposit to the qualified escrow account for the Sales Year of the Certification. Write the date of deposit into the qualified escrow account for the Sales Year of the Certification. Write the total cumulative amount currently in your qualified escrow account for the benefit of Rhode Island. Attach a copy of the escrow agreement and any amendments to it between the NPM and the financial insitution. Attach a copy of the deposit receipt for the qualified escrow account.

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

Include a copy of escrow agreement and the deposit receipt.