Certificate of Compliance by Non-Participating Manufacturer Regarding Quarterly Escrow Payment for 2013 Sales

Part 1: Manufacturer's Identification

Name: _____

Address: _____

Phone: _____

FAX: _____

Email Address: _____

Part 2: Calendar Quarter
The calendar quarter for this Certificate of Compliance is: _____ quarter, 2013.

Part 3: Units Sold
The number of "units sold" manufactured by the above entity and sold in Nebraska during this calendar quarter is as follows:_____ .

Part 4: Brands Sold
List the names of all brands manufactured by the above entity which were sold in Nebraska during the calendar quarter:

_____

_____

Part 5: Escrow Rates and Payments
For "units sold" during calendar quarter _____, 2013, the statutory escrow rate of $.0188482 per unit sold, as adjusted by an estimated inflation rate pursuant to Exhibit C of the MSA, is $0.0299790 per unit sold.

(a) Enter the total number from Part 3 here: _____.

(b) Multiply that amount by the $0.0299790.

(c) Enter the total here: _____

The total amount on line (c) above must be deposited on or before thirty (30) days after the end of the calendar quarter.

Note: A copy of the bank receipt or other proof of deposit from the financial institution must be attached to verify the amount of the escrow deposit.

Part 6: Financial Institution

Name of Institution:_____

Address: _____

Escrow Account No: _____

Cumulative total amount held in this account for the State of Nebraska for all years:

_____

Part 7: Signature

Under penalty of perjury, I state that 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 Representative of NPM: _____
Title: _____
Signature of Authorized Representative of NPM: _____
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 Nebraska Attorney General
2115 State Capitol
P.O. Box 98920
Lincoln, NE 68509-8920
Attn: Lynne R. Fritz

Certificate of Compliance by Non-Participating Manufacturer
Regarding Quarterly Escrow Payment for the State of Nebraska
Frequently Asked Questions and Answers

Who is required to file this certificate of compliance?
A non-participating manufacturer (NPM), subject to the escrow requirements set forth in § 69-2703(2), must file this certificate of compliance showing that it has made the quarterly escrow deposit required by said provision.

What is a non-participating manufacturer (NPM)?
A NPM is a tobacco product manufacturer selling cigarettes or roll-your-own tobacco (RYO) to consumers within the State of Nebraska, whether directly or through a distributor, retailer, or similar intermediary or intermediaries, which is not a signatory to the Master Settlement Agreement generally performing its financial obligations under that Agreement.

What is a tobacco product manufacturer?

- Any entity that manufactures cigarettes or RYO 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 or RYO manufactured anywhere that the manufacturer does not intend to be sold in the United States; or

- A successor of any entity described above.

Which NPMs must make escrow deposits on a quarterly basis?
All NPMs must place escrow into a qualified escrow fund on a quarterly basis for units sold during the prior calendar quarter.

What is a qualified escrow fund?
A NPM must establish a Qualified Escrow Fund which 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 separately for the benefit of the State of Nebraska and (2) prohibits the NPM from using, accessing, or directing the use of the funds' principal except as consistent with Neb. Rev. Stat. § 69-2703(2)(b).

What is "units sold"?

Units sold means the number of individual cigarettes or RYO sold in the state by the applicable tobacco product manufacturer, whether directly or through a distributor, retailer, or similar intermediary or intermediaries, in packs required to bear a stamp pursuant to Neb. Rev. Stat. § 77-2603 or § 77-2603.01 or, in the case of RYO, on which a tax is due pursuant to § 77-4008. (Nine hundredths of an ounce of RYO shall constitute one individual cigarette.)

When is the escrow payment due?

Escrow payments must be made on or before thirty (30) days from the last day of the previous calendar quarter for units sold during the preceding quarter.

When is the certificate of compliance due?

The certificate of compliance is due within ten (10) calendar days after the quarterly deposit deadline.

When are the deadlines for 2013?

Deadlines for 2013 are as follows:

First Quarter 2013: January 1 to March 31. Payment due April 30. Certificate due May 10.
Second Quarter 2013: April 1 to June 30. Payment due July 30. Certificate due August 9.
Third Quarter 2013: July 1 to September 30. Payment due October 30. Certificate due November 9.
Fourth Quarter 2013: October 1 to December 31. Payment due January 30, 2014. Certificate due February 10, 2014.

NOTE: Notices regarding said deposits will not be sent. If the deposit and certificate are not received by the Attorney General's Office by the due dates, the Attorney General's Office will advise the Nebraska Department of Revenue to post a 30-day notice of intent to remove the manufacturer and its brands from the directory.

What documents must be submitted with the certificate of compliance?

Along with the certificate of compliance, the NPM must submit written proof of the deposit from the financial institution, such as a copy of the deposit slip, account statement, or written correspondence.

To whom should the certificate of compliance and proof of deposit document be sent?

Office of the Nebraska Attorney General, 2115 State Capitol, P.O. Box 98920, Lincoln, NE 68509-8920, Attn: Lynne R. Fritz