



**Non-participating Tobacco Manufacturer's Certificate of
Compliance with Quarterly Escrow Payment Requirement on
Sales in Oklahoma in 2008**

(OAG-TOB3-2008)

Line 1: Tobacco Manufacturer's Identification

Name: _____

Address: _____

Phone: _____ FAX _____

Email: _____

Brand Name(s) Manufactured: _____

(Styles such as Regular, Menthol, Light, etc., may be omitted only if all are made by the same Manufacturer)

Location of Manufacturing Facility(s): _____

Line 2: Units Sold in Oklahoma in 2008

Quarter No. 1: Jan. 1, 2008 - March 31, 2008

Quarter No. 3: July 1, 2008 - Sept. 30, 2008

Quarter No. 2: April 1, 2008 - June 1, 2008

Quarter No. 4: Oct. 1, 2008 - Dec. 31, 2008

Line 3: Units Sold in Oklahoma in 2008

Number of individual cigarettes and "roll-your-own" tobacco (.09 ounces of roll-your-own tobacco is counted as a cigarette) sold in Oklahoma by the Manufacturer—whether sold directly or through a distributor, retailer or similar intermediary or intermediaries: _____

Line 4: Base Escrow Amount

The Base Escrow amount is determined by multiplying the number of units sold, from Line 3, by \$0.0188482.

Base Escrow Amount \$ _____

Line 5: Inflation Adjustment (Estimated)

The Inflation Adjustment is determined by multiplying the Base Escrow Amount, from Line 4, by 37.20212% (or, \$0.0070119 per unit).

Inflation Adjustment \$ _____

Line 6: Total Escrow Payment Due

The Total Escrow Payment Due is determined by adding the Base Escrow Amount, from Line 4, to the Inflation Adjustment, from Line 5 (or, \$0.0258601 per unit sold).

Total Escrow Payment Due \$ _____

For all deposits attach copies of your receipt or other proof of deposit from the financial institution.

Line 7: Amount Deposited in Escrow Account

Total Amount Deposited in the Escrow Account for the State of Oklahoma based on sales in Oklahoma in 2008, Quarter No. ____, (should be an amount not less than the amount of the Total Escrow Payment Due, from Line 6):

Amount Deposited in Escrow Account* \$ _____

Line 8: Financial Institution

Name of Institution: _____
Address: _____
Escrow Acct No: _____
Phone No.: _____ Email: _____

Line 9: Signature

Under penalty of perjury, I state that, to the best of my knowledge, all of the information contained in this Certificate of Quarterly Compliance is true and correct, and that I am an officer authorized to legally bind the above-named company either under the laws of the State of Oklahoma or of the jurisdiction where the manufacturer resides or is organized. *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: _____

[S E A L]

This Certificate of Compliance together with Proof of Deposit must be received at the address below by May 15, 2008 for Quarter No. 1, August 15, 2008 for Quarter No. 2, November 15, 2008 for Quarter No. 3, and, February 15, 2009 for Quarter No. 4. See OTC Rule 710:70-9-4.

Office of the Attorney General
State of Oklahoma
Tobacco Enforcement Unit
313 N.E. 21st Street
Oklahoma City, Oklahoma 73105

- * Title 37 O.S. § 600.23(A)(2) requires payments to be “adjusted for inflation.” Title 37 O.S. 600.21(1) defines “adjusted for inflation” as “increased in accordance with the formula for inflation adjustment set forth in Exhibit C to the Master Settlement Agreement. Each year this formula increases 3% or the actual inflation rate, whichever is greater. Because the actual inflation rate cannot be determined until the end of 2008, tobacco product manufacturers required to make quarterly escrow payments will be required, in their quarterly escrow payments, to deposit an amount that has been cumulatively adjusted for inflation by 3%. When the inflation rate for 2008 has been determined, manufacturers will be advised and then have until April 15, 2009, to deposit any additional money, if necessary, to satisfy the actual inflation amount under the Act. The 2007 cumulative inflation rate, 33.20594% increased by 3%, is 37.20212%. Multiplying the 2008 base escrow deposit amount \$0.0188482, by the inflation rate, 37.20212%, equals the cumulative inflation adjustment amount of \$0.0070119%. Adding the base escrow deposit amount, \$0.0188482, to the cumulative inflation adjustment amount, \$0.0070119, equals \$0.0258601.