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MEMORANDUM

TO: All Non-Participating Tobacco Product Manufacturers

FROM: Sidney R. Barrett, Jr.
Senior Assistant Attorney General

RE: Quarterly escrow payment rules

Please be advised that effective January 1, 2005, a Non-Participating Tobacco Product Manufacturers who meets any of the following criteria will be required to make payments into escrow for cigarette sales made in Georgia quarterly:

- (1) Any Non-Participating Manufacturer who has failed to make a full and timely escrow deposit in any of the immediate past three years;
- (2) Any Non-Participating Manufacturer that has failed to make a timely submission of the required certification for any prior calendar year;
- (3) Any Non-Participating Manufacturer that has failed to pay any judgment entered against it, including any civil penalty;
- (4) Any Non-Participating Manufacturer with sales of more than 250,000 sticks or 22,500 ounces of roll-your-own product during any quarter of the sales year; or
- (5) Any Non-Participating Manufacturer which the Attorney General has reasonable cause to believe will be unable or unwilling to make its full required escrow deposit by April 15 of the year following the year in which the cigarettes sales are made.

Ga. Rules and Reg. 60-1-1-.05

All other Non-Participating Manufacturers will be allowed to make their escrow payments on an annual basis as before.

Non-Participating Manufacturers who are required to make quarterly escrow deposits must do so no later than thirty (30) days after the end of the quarter in which the sales are made. The attached Certificate of Non-Participating Manufacturer Regarding Quarterly Escrow Payment (Form AG-04) and official notification from the escrow agent of the deposit must be submitted no later than ten (10) days after the deadline for payment of the quarterly escrow deposit. For example, the escrow deposit for sales made in January, February, and March must be made by April 30 of the same year. The quarterly certification and official notification of deposit are due May 10 of the same year.

Please direct any questions to Robin Cohen at 404-656-4190.