

**NIAGARA TOBACCO ASSET SECURITIZATION CORPORATION**  
**AUTHORITY MEASUREMENT REPORT**

**The major proceeds of the Tobacco Settlement are controlled and maintained by Wilmington Trust N.A. a division of M & T Bank along with and Bank of America. We continue to operate on a fixed budget covering operational expenses.**

**In the past, Niagara Tobacco Asset Securitization Corporation relies on the terms and payment thereof from the major tobacco corporations to insure re-payment of interest and other expenses associated with securitization of these funds. It is assumed with more smokers purchasing cigarettes from Indian Reservations, due to the increased tax associated with purchase of domestic cigarettes, and the continued dispute from the major tobacco corporations regarding the amount due pursuant to the initial Tobacco Settlement and funds being withheld in the Disputed Payment Account, Niagara Tobacco Asset Securitization Corporation will, in the future, have to rely on reserve assets to cover the debt incurred by securitization.**

**In 2018, New York State renegotiated the terms of the calculation of annual payment due from the tobacco companies obligated to pay from the settlement agreement. With the recalculation of the amount due, the annual amount received by Niagara Tobacco Asset Securitization Corporation is significantly lower than anticipated. This board will will continue to monitor the amount received and will continue to seek resolution and full payment from the major tobacco corporations to satisfy the Tobacco Settlement Agreement.**