

**TSA**

TOBACCO SETTLEMENT AUTHORITY

**Tobacco Settlement  
Authority**

Special Meeting

**August 2, 2022**

# TSA

## TOBACCO SETTLEMENT AUTHORITY

### *Meeting Agenda*

**YOU ARE HEREBY NOTIFIED** that the Tobacco Settlement Authority will hold a Special Meeting at 1:30 p.m. prevailing Pacific Time on Tuesday, August 2, 2022, in the Board Room at the Authority's offices located at 1000 2<sup>nd</sup> Ave., Suite 2800, Seattle, WA 98104 to consider the items in the agenda below.

Pursuant to RCW 42.30.030(2), which encourage public agencies to provide for public access to meetings, this meeting can also be viewed via Zoom or joined telephonically.

**To join virtually, please go to [www.zoom.us](http://www.zoom.us) and enter:**

Meeting ID: 858 4163 7096

Passcode: 881204

**Participants using a computer without a microphone who wish to participate verbally, please dial: 1-(888) 788-0099 U.S. toll-free**

*Please note that the line will be muted to the public except during the public comment portions of the meeting.*

**I. CALL TO ORDER:** *Chair, Carla DewBerry*

**II. APPROVAL OF THE NOVEMBER 16, 2021 SPECIAL MEETING**

**MINUTES:** *Chair* ..... 

<b>1</b>
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**III. ACTION ITEMS:**

A. Election of Secretary and Treasurer for one year term – *Steve Walker* ..... 

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B. Finance Report – *Lucas Loranger*

1. Review and consider adopting the Annual Budget for the period July 1, 2022 – June 30, 2023 ..... 

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2. Consider and Act on acceptance of the current Financial Statement .....	<b>4</b>
3. Invoice for Services .....	<b>5</b>

**IV. INFORMATION ITEMS**

A. Tobacco Securitization Market Update – <i>Kym Arnone, Jefferies LLC</i> .....	<b>6</b>
B. Trustee Report – <i>Christine Ok, U.S. Bank</i> .....	<b>7</b>
C. Status of Nonparticipating Manufacturer (NPM) Adjustment Arbitration – <i>Josh Weissman, Attorney General’s Office</i>	

**V. ADDITIONAL INFORMATION ITEMS**

- A. Executive Director’s Report – *Steve Walker*
- B. Authority Meeting Schedule – *Steve Walker*
  - 1. December 7, 2022

**VI. PUBLIC COMMENT : *Chair***

*(May limit public comment to five minutes or less per person).*

<b>VII. MISCELLANEOUS BUSINESS AND CORRESPONDENCE</b> .....	<b>8</b>
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**VIII. EXECUTIVE SESSION** *(if necessary)*

**IX. ADJOURNMENT**

## PUBLIC ENGAGEMENT AT AUTHORITY MEETINGS

All Board meetings of the Tobacco Settlement Authority are open to the public. Our intention is to welcome all members of the public and to provide a clear and reasonable process through which they can share their thoughts with us.

### Different ways to Join the Authority Meetings:

1. Meeting link:  
<https://us02web.zoom.us/j/85841637096?pwd=iPBrPA0-K8Wqekb0pAFGv0yXhe-nMf.1>
2. At [www.zoom.us](http://www.zoom.us), go to “Join a Meeting,” and enter:  
Meeting ID: 858 4163 7096  
Passcode: 881204
3. To participate by phone, dial: 1-(888)-788-0099 or 1-(877)-853-5247
4. Members of the public can attend the 1:30 p.m. Special Meeting in-person in the 28th Floor Board Room, located at 1000 Second Avenue, Seattle, WA 98104-3601.

**During Meetings:** During board meetings, attendees can see and hear all presentations and business taking place. Microphones will be turned off except to receive comment during public hearings and the public comment period.

**Public Hearings:** Public hearings are generally held separately from Authority board meetings, but there may be exceptions. Please limit comments to those directly related to the public hearing topic.

### Public Comment:

- **Purpose of Public Comment** - During this period, the Board members listen to public concerns and comments but do not generally engage in dialogue. Staff will follow up with commenters who request assistance or answers to questions, providing that contact information is shared. Anyone who wishes to speak during the public comment period can take this opportunity.
- **When to Comment** - The public comment period takes place after the executive director’s report. Typically, the public comment period is reached after about an hour but may be sooner or later.
- **Raising Your Hand in Zoom or Through Phone Participation** - To give us a sense of the number of people wishing to speak and help us call on you in an orderly fashion, the meeting Chair will ask you to use the Zoom “raise hand” feature to indicate you would like to speak. People participating on the telephone can press \*9 to virtually “raise a hand.” Whether or not you are able to virtually raise a hand, the Chair will provide time and opportunity for all to share their comments before closing the public comment period.
- **Timing of Comments** - We ask that speakers keep their comments brief (2 to 3 minutes). The Chair may ask you to begin bringing your statement to a close after that time, especially if others are waiting to speak. Our intention is not to impose a specific time limit unless it seems necessary to ensure that a sufficient number of speakers have an equal opportunity to express their thoughts.

**TAB 1**

**TOBACCO SETTLEMENT AUTHORITY  
Special Meeting**

**Minutes**

**November 16, 2021**

Board Chair, Ms. Carla DewBerry, called the meeting of the Tobacco Settlement Authority (the “Authority”) to order at 1:02 p.m. via Zoom and conference call.

Board members present on the line were Mr. Tim Kerr, Mr. Wolfgang Opitz, and Mr. James Krejci.

Mr. Ken Vyhmeister joined the meeting at 1:28 p.m. Mr. Krejci left the teleconference at 1:30 p.m.

Authority staff members present were Mr. Steve Walker, Executive Director; Mr. Paul Edwards, Deputy Director; Mr. Bob Cook, Senior Finance Director; Mr. Lucas Loranger, Senior Controller; Ms. Carol Johnson, Affiliates Manager; and Ms. Rona Monillas, Affiliates Program Assistant.

Other participants were Ms. Faith Pettis of Pacifica Law Group; Ms. Christine Ok of U.S. Bank; Mr. Rusty Fallis and Mr. Rene Tomisser from the Washington Attorney General’s Office; Ms. Kym Arnone of Jefferies LLC; and Ms. Amy Sutherland and Ms. Kellie McKenna of Moss Adams LLP.

Ms. DewBerry asked for a motion to approve the minutes of the meeting held on June 28, 2021. Mr. Opitz made the motion, and it was seconded by Mr. Krejci. The minutes were approved unanimously, 4-0.

Ms. DewBerry introduced Ms. Johnson to present staff recommendations regarding selection of a legal services team.

Ms. Johnson reported that current contracts expire on November 30, 2021.

*November 16, 2021*

*1*

**Approval of the  
June 28, 2021  
Special Meeting  
Minutes**

**Action Item:  
Approval of Staff  
Recommendations  
for Selection of  
Legal Services  
Team**

Ms. Johnson described the Authority's process for selecting firms to provide legal services via a Request for Proposals (RFP). She said that the Authority received four responses.

Ms. Johnson stated that staff recommends continuing to contract with the current TSA legal team for a two-year initial term with the option to extend for up to five years.

Mr. Opitz moved to approve staff recommendations to continue working with the current TSA legal team. The motion was seconded by Mr. Kerr. The motion was approved unanimously, 4-0.

**Action Item:  
Acceptance of  
Final Audit  
Report**

Mr. Cook introduced Ms. Amy Sutherland and Ms. Kellie McKenna to present a summary of the Audit Report to the Authority.

Ms. Sutherland presented the overall results of the audit. She highlighted that the financial statements were presented fairly and in accordance with accounting principles generally accepted in the United States of America (US GAAP).

Ms. McKenna stated that they reviewed the application of accounting policies and have taken note of any changes in governance. She concluded that no significant accounting policies had changed for the fiscal year ending June 30, 2021. She added that the Authority has selected and applied significant accounting policies appropriately and consistently with those of the prior year.

Ms. McKenna reported that the most sensitive estimates affecting the financial statements were that of Tobacco Settlement Revenues (TSRs) receivable and the contingent amounts related to the non-participating manufacturers (NPM) adjustment because of the recent 2004 arbitration panel decision. She stated that the Authority has determined that the timing of future TSR disruptions cannot be reasonably estimated at this time due to several open questions regarding the application of any related adjustment to future TSRs and they accepted this view in

conjunction with their audit.

Ms. McKenna stated that the financial statement disclosures are clear and consistent. She drew the board's attention to the information in Notes 5, 7, and 8.

Ms. McKenna listed additional communications related to the audit process. She emphasized that auditors had no difficulties or disagreements with Authority staff during the audit.

Mr. Cook commended Moss Adams and Authority staff, especially Mr. Loranger, for a smooth audit process. He encouraged the board to read the notes in the Audit Report. Mr. Cook added information about TSR distribution estimates in relation to the 2004 NPM adjustment arbitration decision.

Ms. DewBerry asked for a motion to accept the final Audit Report. Mr. Kerr made the motion, and it was seconded by Mr. Opitz. The motion was accepted unanimously, 4-0.

**Action Item:  
Approval of  
Current  
Financial  
Statement**

Mr. Cook presented the unaudited, current financial statement of the Authority's General Operating Fund. Mr. Cook stated that the financial statements as of September 30, 2021 shows assets of approximately \$144,000 with \$8,000 in liabilities. Expenses exceed revenue year to date resulting in a \$14,000 decrease in net position, resulting in a net asset position of \$136,000. He then referred to the detailed breakdown of the expenses on the last page.

Mr. Cook stated that the invoice from the Housing Finance Commission covering April 2021 through September 2021, totaling over \$16,000, has been approved by Board Treasurer, Mr. Opitz.

Ms. DewBerry asked for a motion to approve the current financial statement. Mr. Opitz made the motion, and it was seconded by Mr. Krejci. The motion was approved unanimously, 4-0.

**Tobacco  
Securitization  
Market Update**

Ms. DewBerry introduced Ms. Kym Arnone to present the Tobacco Securitization Market update.

Ms. Arnone stated that Altria reported that total domestic cigarette industry volumes fell by an estimated 6.5 percent in the third quarter of 2021, and by an estimated 5.0 percent in the first nine months of 2021.

Ms. Arnone reported that the White House released its revised framework for the Build Back Better Act which excludes any tax increases on tobacco products. She added that the latest version of the bill included a tax on vape products only.

Ms. Arnone wished Mr. Edwards and Mr. Cook a happy retirement. She expressed that she was grateful for the years they have worked together. Board members expressed their appreciation to Mr. Edwards and Mr. Cook.

**Trustee Report**

Ms. DewBerry introduced Ms. Christine Ok, Bond Trustee from U.S. Bank National Association, to present the Trustee's Report.

Ms. Ok reported that payments for interest due for both the 2013 series and 2018 series were received and will be paid to bond holders in December. Series 2013 bonds are outstanding in the amount of \$48,960,000 and Series 2018 bonds are outstanding in the amount of \$43,630,000, totaling \$92,590,000 in total bonds outstanding.

Ms. Ok said that payments continue to come in from the Lehman bankruptcy. She received a check totaling \$3,590 in December. She also reported that the total reserve was maintained at \$31,997,719.44.

**Summary of  
2004 NPM  
Adjustment  
Arbitration  
Decision**

Ms. DewBerry introduced Mr. Rene Tomisser from the Attorney General's Office to give a report on the 2004 Nonparticipating Manufacturer (NPM) adjustment arbitration decision.

Mr. Tomisser stated that the 2004 NPM adjustment arbitration panel decision will result in a potential downward adjustment of the State's annual Master Settlement Agreement (MSA) payment. The final allocation amount will depend on whether or not the arbitration panel finds other states to have diligently enforced their qualifying statutes. Mr. Tomisser stated that while Washington State was found to have diligently enforced its qualifying statute in the 2003 NPM arbitration, the State was found not to be diligent in enforcing its qualifying statute in the 2004 NPM arbitration. He discussed the potential timing of the distribution of the MSA payments.

**Executive  
Director's  
Report**

Mr. Walker provided an update on the subpoena issued by JUUL Labs Inc. to the Authority in April. He highlighted that Pacifica successfully collaborated with JUUL to limit the scope of their requests and the TSA was able to respond quickly and appropriately. He added that the discovery cutoff has passed, and no further action is required.

Mr. Walker gave a summary of relevant articles and correspondence in the board meeting packet. He said that if there is no change in the meeting schedule, the next Authority board meeting will be on June 1, 2022.

**Public  
Comment**

Ms. DewBerry asked if there were any comments from the public. There were none.

**Executive  
Session**

The Board went into Executive Session to discuss potential litigation at 1:35 p.m. and reconvened at 1:50 p.m.

**Adjournment**

Ms. DewBerry adjourned the meeting at 1:51 p.m.

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Ms. Carla DewBerry, Chair

**TAB 2**



## Memorandum

To: Tobacco Settlement Authority Board Members  
From: Carol Johnson  
RE: **Election of Secretary and Treasurer**  
Date: July 22, 2022  
CC: Steve Walker, Fenice Taylor, Lucas Loranger, Rona Monillas

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### **BACKGROUND:**

The enabling legislation that created the Tobacco Settlement Authority included a Governor-appointed Chair and a board-elected Secretary and Treasurer. The primary role of the Secretary will be to sign official documents of the Authority, and in cooperation with staff, to maintain the minutes and records of the Authority's meetings and actions. The primary role of the Treasurer will be to coordinate with staff to accurately report on the financial status of the Authority and to interact with the Authority auditor on behalf of the Board.

Over the past year, the elected officer positions were held by Tim Kerr as Secretary and Wolfgang Opitz as Treasurer. Tim Kerr served as Secretary until the end of his term in June. Currently the TSA has no appointed Secretary.

Ken Vyhmeister has agreed to serve as Secretary if he is elected. Wolfgang Opitz has agreed to continue to serve as Treasurer if he is re-elected.

### **ACTION:**

The Board is required by statute to elect a Secretary and Treasurer from among its members. Both positions serve for a one-year term.

Staff recommends that both positions be filled. For these positions, a simple majority vote is required by the members in attendance.

**TAB 3**



TOBACCO SETTLEMENT AUTHORITY

Ms. Carla DewBerry  
*Chair*

Mr. Steve Walker  
*Executive Director*

Memorandum

To: Board Members

From: Fenice Taylor; Lucas Loranger; Shirleen Noonan

CC: Steve Walker, Carol Johnson

Date: July 21, 2022

Re: Annual Budget for the fiscal year July 1, 2022 – June 30, 2023

**BACKGROUND**

Tobacco Settlement Authority staff have prepared the following proposed Program Summary and operating budget for the upcoming July 1, 2022 – June 30, 2023 fiscal year (“FY23”).

Total expenses are budgeted at \$160,684. This is a 13% increase over the current year’s budget to make allowance for additional legal expenses related to the 2004 Non-Participating Manufacturer (“NPM”) arbitration ruling. Also, we expect a biennial state audit to be conducted during the next fiscal year.

During the current fiscal year, we recognized \$254,400 in operating revenues from Tobacco Settlement Revenues (TSR). This amount is higher than normal to assure the Tobacco Settlement Authority has sufficient liquidity on hand to cover expenses should future TSRs be reduced due the aforementioned arbitration ruling. As such, we do not anticipate requesting additional operating revenues in April 2023. While it is intended to support operations for following fiscal years, the TSR payment is recognized as revenue when received.

**PROPOSED ACTION**

Management recommends that the Authority Board review, consider, and act on the July 1, 2022 – June 30, 2023 budget.

Washington State Tobacco Settlement Authority, 1000 Second Avenue, Suite 2700, Seattle, WA 98104-1046

tel 206.464.7139 fax 206.587.5113 [www.tsa-wa.org](http://www.tsa-wa.org)

# TOBACCO SETTLEMENT AUTHORITY

## Program Summary Fiscal Year 2022-2023

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### Problem/Need:

Faced with a \$1.5 billion shortfall in the state's general fund, the Legislature authorized, and Governor Gary Locke signed into law on April 4, 2002, legislation establishing the Tobacco Settlement Authority (the Authority). The legislation authorized the Authority to issue revenue bonds backed by part (29.2%) of the state's portion of the revenue stream from the Master Settlement Agreement between the state and the five major tobacco manufacturers. In exchange, the Authority would deposit \$450 million in bond proceeds into the state general fund.

In 2013, outstanding 2002 bonds were refunded. The refunding generated an estimated \$58.2 million of present value (PV) savings to the Authority and shortened the expected final maturity by 2 years. In June of 2018, an allowable portion of the 2013 bonds were refunded. The \$43,630,000 refunding generated estimated PV savings of \$4.95 million and shortened the maturity to an earlier date in 2024 or 2025. By shortening the expected final maturity, the pledged tobacco settlement revenues (TSRs) will be returned to the state sooner, giving the state access to the full TSR income stream.

### Goal:

The primary goal of the program, as stated in the first paragraph above, was achieved in 2002. The TSA's primary purpose has been to monitor the feasibility of refunding and/or completing a new issue, monitor investments and payments, and periodically report on the status of the TSA's outstanding bonds, report on the tobacco securitization market, and return the 29.2% of tobacco revenues to the state as early as possible. By shortening the expected final maturity, the pledged tobacco settlement revenues (TSRs) will be returned to the state sooner, giving the state access to the full TSR income stream.

### Business Objectives:

1. Monitor receipt of all TSRs and payments of bond principal and interest by the Trustee and report to the board in June and December.
2. Monitor and report on the tobacco market and report to the board in June and December.
3. Coordinate with the TSA finance team to identify opportunities to refinance the outstanding bonds if a 5% savings can be met.
4. Describe and evaluate efforts designed to enhance diversity and inclusion and mitigate the impact of historic and systemic racism in agency operations and processes by June 30, 2023.
5. Complete conversion of all hard copy documents into electronic files and consolidate hard copy files for long-term storage by June 30, 2023.

### Assumptions:

A reasonable tobacco bond market continues to exist that will support repayment of the bonds by the expected maturity of 2024 or 2025.

**TSA**  
**Budget Summary for the fiscal year ending: June 30, 2023**

**FINANCIAL AND PROGRAM INFORMATION**

	<b>FYE 23 Proposed Budget</b>	<b>FYE 22 Projected Actual</b>	<b>FYE 22 Budget as Adopted</b>
<b>Personnel Resources [FTE's]</b>			
Permanent	0.43	0.26	0.41
Temporary		-	-
<b>Total FTE's</b>	<b>0.43</b>	<b>0.26</b>	<b>0.41</b>
<b>Program Budget</b>			
Interest Income	660	18	640
Other Income	-	254,400	92,000
<b>Total Revenue</b>	<b>660</b>	<b>254,418</b>	<b>92,640</b>
Employee Expenses	70,987	32,746	68,072
Travel Expenses	500	-	500
Professional Fees	70,750	54,500	58,000
Office Expenses	18,446	13,057	15,848
<b>Total Expenses</b>	<b>160,684</b>	<b>100,303</b>	<b>142,420</b>
<b>Total Income/(Loss)</b>	<b>(160,024)</b>	<b>154,116</b>	<b>(49,780)</b>

**TSA - Budget Report for the fiscal year ending: June 30, 2023**

	Proposed Budget	Current Year, Projected Actual	Current Year Budget	Prior Year Actual	
<b><u>Revenues</u></b>					
4020	Interest Earned	660	18	640	47
4051	Unrealized Gain/Loss on Invest	-	-	-	(38)
4900	Other Income	-	254,400	92,000	88,970
	<b>Total Revenues</b>	<b>660</b>	<b>254,418</b>	<b>92,640</b>	<b>88,978</b>
<b><u>Expenses</u></b>					
5010	Salaries & Wages	51,652	25,611	54,549	28,331
5021	Annual Leave	4,073	-	-	-
5031	Payroll Taxes	3,869	1,851	3,570	2,136
5032	Health Insurance	5,831	2,421	4,605	2,910
5033	Retirement	5,243	2,501	5,106	3,514
5041	Commute Trip Reduction	267	363	193	401
5043	Recognition - Employee	52	-	49	-
5120	In State Travel Expenses	500	-	500	-
5210	Accounting Fees	17,750	17,500	22,000	17,270
5220	Legal Fees	50,000	37,000	35,000	10,782
5230	Financial Advisor Fees	3,000	-	1,000	-
5410	Printing (Letterhead, etc)	600	108	500	214
5420	Supplies- Office	1,289	133	1,268	164
5430	Postage	100	71	125	95
5431	Delivery	300	152	300	172
5460	State Services	-	27	-	25
5498	Office Expense - Other	711	499	848	630
5510	Rent- Office Building	2,627	1,366	2,666	1,219
5511	Facility Rent - Conference Rms	-	-	-	146
5600	Telephone	492	287	387	94
5630	Software Maintenance & Support	2,027	1,250	2,120	1,178
5670	Legal Advertising	-	113	-	109
5810	Insurance	10,000	9,052	7,285	7,285
5840	Meeting Expense	300	-	350	-
	<b>Total Expenses</b>	<b>160,684</b>	<b>100,303</b>	<b>142,420</b>	<b>76,675</b>
	Revenue over (under) Expense	<b>(160,024)</b>	<b>154,116</b>	<b>(49,780)</b>	<b>12,303</b>

**TAB 4**

# TOBACCO SETTLEMENT AUTHORITY

July 18, 2022

Authority Directors  
Tobacco Settlement Authority  
Seattle, Washington

We have compiled the UNAUDITED statement of net position of the Tobacco Settlement Authority (the “Authority”), General Operating Fund, as of **May 31, 2022**, and the related statement of activities and changes in net position for the month then ended in accordance with generally accepted accounting principles.

This compilation is limited to presenting, in the form of financial statements, information that is accurate to the best of our knowledge and belief. These statements have not been audited or reviewed by an independent third party.

We have elected to omit substantially all of the disclosures required by generally accepted accounting principles including the statement of changes in financial position. If the omitted disclosures were included in the financial statements, they might influence the users' conclusions about the Authority's financial position, results of operations and changes in financial position. Accordingly, these financial statements are not designed for those who are not informed about these matters.

Prepared by: Shirleen Noonan  
Shirleen Noonan  
General Operations Manager

Approved by: Lucas Loranger  
Lucas Loranger  
Senior Controller

TOBACCO SETTLEMENT AUTHORITY  
GENERAL OPERATING FUND

May 31, 2022  
Unaudited

CONTENTS

(See Accountant's Compilation Report)

Accountant's Report

Financial Statements:

Statement of Net Position	3
Statement of Activities & Changes in Net Position	4
Detailed Statement of Activities	5

**Tobacco Settlement Authority**  
**Statement of Net Position**  
**Fund: General Operating Fund**  
**Division: All**  
**May 31, 2022**  
(See Accountant's Compilation Report)

	Current Year	Prior Year	Variance	
			Amount	%
<b><i>ASSETS</i></b>				
Cash and Cash Equivalents:	\$ 330,527	\$ 174,439	\$ 156,088	(1) 89%
Prepaid Expenses & Other Receivable	752	610	142	(2) 23%
<i>Total Assets</i>	\$ 331,279	\$ 175,049	\$ 156,230	89%
<b><i>LIABILITIES</i></b>				
Accounts Payable and Other Liabilities	\$ 21,784	\$ 18,825	\$ 2,959	(3) 16%
<i>Total Liabilities</i>	21,784	18,825	2,959	16%
<b><i>NET POSITION</i></b>				
Unrestricted	309,495	156,224	153,271	98%
Total Net Position	309,495	156,224	153,271	98%
<i>Total Liabilities and Net Position</i>	\$ 331,279	\$ 175,049	\$ 156,230	89%

- (1) The current year's balance reflects the receipt of \$254,400 requested from the Tobacco Settlement Revenue to support budgeted operating expenditures. Prior year's request of \$88,970 was received on 4/30/2021.
- (2) The higher prepaid expense balance is due to the increased cost of the annual insurance premium prepaid each June and amortized monthly.
- (3) Accounts payables and other liabilities consist mostly of vendor payables and interagency charges, primarily for salaries and benefits expenses allocated based on Commission staff working on TSA matters. The increase is primarily due to higher legal payables related to the EMMA filing.

**Tobacco Settlement Authority**  
**Statement of Activities and Changes in Net Position**  
**Fund: General Operating Fund**  
**Division: All**

**For The Year To Date Ending: May 31, 2022**  
(See Accountant's Compilation Report)

	Current Period	Current Year to Date	Prior Year to Date	Variance	
				Amount	%
<i>Revenues:</i>					
Interest Earned and Realized Gain	\$ 9	\$ 17	\$ 46	\$ (29)	-63%
Other	254,400	254,400	88,970	165,430 (1)	186%
<i>Total Unadjusted Revenues</i>	<u>254,409</u>	<u>254,417</u>	<u>89,016</u>	<u>165,401</u>	<u>186%</u>
<i>Expenses:</i>					
Salaries, Wages, and Employee Benefits	2,055	29,965	34,303	(4,338) (2)	-13%
Professional Fees	11,635	53,507	26,390	27,117 (3)	103%
Office Expense	974	11,948	10,257	1,691 (4)	16%
<i>Total Expenses</i>	<u>14,664</u>	<u>95,420</u>	<u>70,949</u>	<u>24,471</u>	<u>34%</u>
<i>Adjustments</i>					
Gains/(Loss) on Investments-Unrealized	-	-	(38)	38	-100%
<i>Total Adjustments</i>	<u>-</u>	<u>-</u>	<u>(38)</u>	<u>38</u>	<u>-100%</u>
(Deficit) Excess of Revenues over Expenses	<u>239,745</u>	<u>158,997</u>	<u>18,029</u>	<u>140,968</u>	<u>782%</u>
<i>Net Position</i>					
Total net position, beginning of period	69,750	150,498	138,195	12,303	9%
Current Increase (Decrease) to Net Position	<u>239,745</u>	<u>158,997</u>	<u>18,029</u>	<u>140,968</u>	<u>782%</u>
Total net position, end of year	<u>\$ 309,495</u>	<u>\$ 309,495</u>	<u>\$ 156,224</u>	<u>\$ 153,271</u>	<u>98%</u>

- (1) Other income reflects the receipt of Officer's Certificate funds in May 2022 and April 2021, respectively.  
(2) The decrease in salaries and benefits is due to reduced allocation of WSHFC staff hours in the current fiscal year.  
(3) The increase in professional fees is attributable to greater legal fees related to the EMMA notice.  
(4) The higher office expense is primarily due to an increase in insurance expense.

**Tobacco Settlement Authority**  
**Detailed Statement of Activities**  
**Fund: General Operating Fund**  
**Division: All**  
**For The Year To Date Ending: May 31, 2022**  
(See Accountant's Compilation Report)

	Variance-YTD vs. PY Actuals		Prior YTD	YTD	YTD	Variance-YTD Budget to Actual	
	%	Amount	Actual	Actual	Budget	Amount	%
<b>Revenues:</b>							
Interest Earned and Realized Gain	-63.0%	\$ (29)	\$ 46	\$ 17	\$ 587	\$ (570)	-97.1%
Other Income	186%	165,430	88,970	<b>254,400</b>	84,333	170,067	201.7%
<b>Total Unadjusted Revenues</b>	<b>186%</b>	<b>165,401</b>	<b>89,016</b>	<b>254,417</b>	<b>84,920</b>	<b>169,497</b>	<b>200%</b>
<b>Expenses:</b>							
Salaries & Wages - Staff & Temp. Svcs	-10.1%	(2,643)	26,078	<b>23,435</b>	50,003	(26,568)	-53.1%
Employee Benefits - Staff	-20.6%	(1,695)	8,225	<b>6,530</b>	12,396	(5,866)	-47.3%
Travel in state - Staff	NA	-	-	-	458	(458)	-100.0%
Accounting Fees	1.3%	230	17,270	<b>17,500</b>	21,284	(3,784)	-17.8%
Legal Fees	294.8%	26,887	9,120	<b>36,007</b>	32,083	3,924	12.2%
Financial Advisor Fees	NA	-	-	-	917	(917)	-100.0%
Office Rent/Conf. Room Rentals	0.9%	11	1,239	<b>1,250</b>	2,444	(1,194)	-48.9%
Advertising	-5.5%	(6)	109	<b>103</b>	-	103	NA
Deliveries	-19.2%	(33)	172	<b>139</b>	275	(136)	-49.5%
Insurance	24.0%	1,605	6,678	<b>8,283</b>	6,678	1,605	24.0%
Meeting Expense	NA	-	-	-	321	(321)	-100.0%
Software Maint. Support & Other Info Svcs	6.2%	67	1,077	<b>1,144</b>	1,943	(799)	-41.1%
Postage	45.5%	20	44	<b>65</b>	115	(50)	-43.5%
Printing	-12.4%	(14)	113	<b>99</b>	458	(359)	-78.4%
State Services	0.0%	-	25	<b>25</b>	-	25	NA
Supplies	-12.9%	(18)	140	<b>122</b>	1,163	(1,041)	-89.5%
Telephone	209.4%	178	85	<b>263</b>	354	(91)	-25.7%
Other Office Expenses	-20.5%	(118)	575	<b>457</b>	777	(320)	-41.2%
<b>Total Expenses</b>	<b>34%</b>	<b>24,471</b>	<b>70,950</b>	<b>95,422</b>	<b>131,669</b>	<b>(36,247)</b>	<b>-28%</b>
<b>Adjustments</b>							
<b>Revenues:</b>							
Gains/(Loss) on Investments-Unrealized	-100.0%	38	(38)	-	-	-	NA
<b>Total Adjustments</b>	<b>NA</b>	<b>38</b>	<b>(38)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>NA</b>
<b>(Deficit) Excess of Revenues over Expenses</b>	<b>781.9%</b>	<b>\$ 140,967</b>	<b>\$ 18,028</b>	<b>\$ 158,995</b>	<b>\$ (46,749)</b>	<b>\$ 205,744</b>	<b>-440.1%</b>

**TAB 5**

## Statement of Account

Tobacco Settlement Authority  
Proration of costs between TSA and WSHFC  
For the period January 2022 - March 2022

Month	Salaries & Benefits	Office Expenses (1)	Overhead (2)	Invoice Amount
January	\$ 2,080.53	\$ 194.80	\$ 4.69	\$ 2,280.02
February	1,690.95	117.80	2.63	1,811.38
March	1,734.00	101.36	2.07	1,837.43
<b>Total Per Category</b>	<b>\$ 5,505.48</b>	<b>\$ 413.96</b>	<b>\$ 9.39</b>	<b>\$ 5,928.83</b>
<b>Previous Balance at December 2021</b>				<b>15,221.54</b>
<b>Payments &amp; Credit Memos (through March 31, 2022)</b>				<b>(15,221.54)</b>
<b>Due to WSHFC:</b>				<b><u>\$ 5,928.83</u></b>

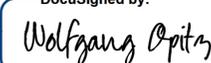
**Please make checks payable to:**

Washington State Housing Finance Commission  
1000 Second Avenue, Suite 2700  
Seattle, Washington 98104-1046

(1) Office Expenses are expenses paid by WSHFC on behalf of TSA and allocation of certain HFC expenses based on TSA salary hours as a percentage of total HFC salary hours.

(2) Overhead is the allocation of HFC's depreciation expense based on TSA salary hours as a percentage of total HFC salary hours.

Approval for Payment

DocuSigned by:  
  
6D66152CCCE5472

Authority Board Member

## Statement of Account

Tobacco Settlement Authority  
Proration of costs between TSA and WSHFC  
For the period October - December 2021

Month	Salaries & Benefits	Office Expenses (1)	Overhead (2)	Invoice Amount
October	\$ 6,302.09	\$ 479.90	\$ 19.68	\$ 6,801.67
November	5,595.26	886.55	24.62	6,506.43
December	1,757.47	152.25	3.72	1,913.44
<b>Total Per Category</b>	<b>\$ 13,654.82</b>	<b>\$ 1,518.70</b>	<b>\$ 48.02</b>	<b>\$ 15,221.54</b>
<b>Previous Balance at September 2021</b>				<b>7,721.83</b>
<b>Payments &amp; Credit Memos (through December 31, 2021)</b>				<b>(7,721.83)</b>
<b>Due to WSHFC:</b>				<b><u>\$ 15,221.54</u></b>

**Please make checks payable to:**

Washington State Housing Finance Commission  
1000 Second Avenue, Suite 2700  
Seattle, Washington 98104-1046

(1) Office Expenses are expenses paid by WSHFC on behalf of TSA and allocation of certain HFC expenses based on TSA salary hours as a percentage of total HFC salary hours.

(2) Overhead is the allocation of HFC's depreciation expense based on TSA salary hours as a percentage of total HFC salary hours.

Approval for Payment

DocuSigned by:  
  
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Authority Board Member

# TAB 6

## Tobacco Market Update

(To be distributed to the Board members prior to the meeting)

**TAB 7**

# TOBACCO SETTLEMENT BONDS

## Trustee Update July 2022

### Structure:

2018 Serial maturities from June 1, 2022 through 2024:

2013 Series maturities from June 1, 2019 through 2022, 2023, and 2027 and 2033

Date	2013 Series Interest Due	2018 Series Interest Due	2013 Series Maturities	2018 Series Maturities	Series 2013 Optional Redemptions
6/1/2018	5,329,212.50		13,215,000		12,505,000
7/2/2018	212,844.06				47,645,000
12/1/2018	3,450,343.75	975,615.28	-	-	-
6/1/2019	3,450,343.75	1,090,750.00	13,665,000		12,750,000
12/1/2019	2,774,031.25	1,090,750.00	-	-	-
6/1/2020	2,774,031.25	1,090,750.00	13,970,000		14,055,000
12/1/2020	2,055,837.50	1,090,750.00	-	-	-
6/1/2021	2,055,837.50	1,090,750.00	13,880,000		17,557,417
12/1/2021	1,248,018.75	1,090,750.00			
6/1/2022	1,248,018.75	1,090,750.00	14,510,000	10,600,000.00	7,405,000
	<b>24,598,519.06</b>	<b>8,610,865.28</b>	<b>69,240,000.00</b>	<b>10,600,000.00</b>	<b>111,917,417.19</b>

Total Bonds Outstanding = \$60,075,000

Series 2013: \$27,045,000 and Series 2018: \$33,030,000

Date	Projected TSR Receipts (OS pg 29)	Actual TSR Receipts	Difference	Other Receipts
6/1/2018	40,834,487.00	35,253,912.55	5,580,574	279,726
7/1/2018		Earnings on Bd Proceeds		18,086
12/1/2018	-	-	-	123,285
6/1/2019	40,778,814.00	34,319,420.34	6,459,394	12,277
12/1/2019	-	-	-	33,523
6/1/2020	40,000,073.00	34,049,268.16	5,950,804.84	9,592
12/1/2020	-	-	-	4,731
6/1/2021	39,241,014.00	36,485,284.51	2,755,729.49	20,447
12/1/2021	-	-	-	3,590
6/1/2022	38,501,302.00	36,664,622.21	1,836,679.79	2,836
	<b>199,355,690</b>	<b>176,772,507.77</b>	<b>22,583,182.23</b>	<b>508,093</b>

### Compliance:

Report to Rating Agency on Debt Service Dates: Report to be submitted 6-1-2022

Disclosure Reporting:

Series 2013 and 2018 Continuing Disclosure Agreements:

EMMA Posting on 10-19-21 of Voluntary Disclosure

Total Reserve maintained at requirement = \$31,997,719.44

Series 2013: \$23,214,164.29 and Series 2018: \$8,783,555.15



**TAB 8**

**From:** "Jang, Michael" <michael.jang@citi.com>

**Date:** April 28, 2022 at 6:40:26 AM PDT

**Subject: Tobacco Securitization Market Update – 2021 MSA Payment Data**

All,

Yesterday, the National Association of Attorneys General (“NAAG”) posted MSA Payment data related to cigarette shipments, potential NPM Adjustment and participating manufacturer market share for sales year 2021 (payment year 2022). The NAAG data indicates that total net market cigarette shipments decreased by approximately 6.08% in sales year 2021 to 215.7 billion cigarettes from 229.7 billion cigarettes in sales year 2020. All cigarette shipment data in this email calculates the RYO equivalent conversion rate at 0.0325 ounces per cigarette.

The NAAG data release also indicates that 2021 OPM market share declined by approximately 0.96% from 79.98% in 2020 to 79.02% in 2021. Correspondingly, both SPM and NPM 2021 market share increased to 11.1% and 9.8% from 10.7% and 9.2%, respectively. NAAG reports the sales year 2021 Potential NPM Adjustment Percentage at 22.31% or 1.8% higher than sales year 2020. This is the highest Potential NPM Adjustment Percentage on record. According to NAAG, the Total Potential NPM Adjustment for sales year 2021 is approximately \$1.64 billion.

In addition, the 7.0364% percent change in CPI for 2021 is a positive adjustment to payments received by MSA signatories. As a result, almost all MSA signatories have received higher payments in 2022 than Payment Year 2021.

A link to the NAAG data is provided below:

<https://www.naag.org/our-work/naag-center-for-tobacco-and-public-health/the-master-settlement-agreement/msa-payment-information/>

If you have any questions regarding this email, please contact any member of Citi’s Tobacco Securitization Team.

**Michael Jang**

Director | Public Finance Department, Citi

388 Greenwich Street, Trading Floor 4, New York, NY 10013

Phone: 212-723-4947

[michael.jang@citi.com](mailto:michael.jang@citi.com)

**From:** Comfort, Cam (ATG) <cam.comfort@atg.wa.gov>

**Sent:** Tuesday, April 19, 2022 11:46 AM

**Subject:** Updated April 2022 Master Settlement Agreement Payment Information

Dear MSA Contacts:

I am providing updated and corrected information about the total amount of Washington's April 2022 MSA payments. When I drafted my earlier email, I did not notice that the independent auditor's summary included *estimated* amounts for April 18 and not actual amounts which were slightly higher than the estimated amounts. Accordingly, although the independent auditor estimated that Washington's payment on April 18 would be \$5,692,285.07, the actual amount distributed to Washington yesterday was \$5,713,617.34. Thus, the total amount distributed to Washington on April 15 and 18 was \$125,563,774.72 (\$119,850,157.38 on April 15 and \$5,713,617.34 on April 18). And the State's share of the actual total amount was \$88,899,152.50 and the Tobacco Settlement Authority's share was \$36,664,622.22. (Note: due to rounding actual amounts may be off by a penny.) Finally, my earlier email also contained a typo regarding the Tobacco Settlement Authority's share -- \$36,638,393.20 should have been \$36,658,393.20.

Cam

---

**From:** Comfort, Cam (ATG)

**Sent:** Tuesday, April 19, 2022 9:24 AM

**Subject:** April 2022 Master Settlement Agreement Payment Information

Dear MSA Contacts:

The independent auditor has provided a summary of the MSA disbursements made on April 15 and April 18, 2021. The total amount disbursed to Washington was \$125,542,442.45, of which the State's share was 70.8 percent (\$88,884,049.11) and the Tobacco Settlement Authority's share was 29.2 percent (\$36,638,393.20). For comparison purposes, the amount disbursed to Washington in April 2021 was \$124,949,604.48. With respect to Washington's payment, participating manufacturers deposited \$24,981,111.18 (approximately 16½ percent) into the disputed payments

account based on their claims to the non-participating manufacturers' adjustment. This is about five percent less than anticipated by the National Association of Attorneys General.

Let me know if you have any questions.

Cam

***Cameron G. Comfort***

Sr. Assistant Attorney General  
Revenue and Finance Division  
PO Box 40123  
Olympia WA 98504-0123  
(360) 664-9429

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**From:** Comfort, Cam (ATG) <cam.comfort@atg.wa.gov>

**Sent:** Tuesday, April 12, 2022 2:32 PM

**Subject:** FW: Revised Final Calculations of Amounts Due to the States Under the MSA in April 2022

Dear MSA Contacts:

The independent auditor (IA) has provided second revised final calculations of the annual payment amounts that are due to the states in April 2022 under the Master Settlement Agreement (MSA). The annual payment due to Washington has been nominally increased to \$151,094,973.24. An initial distribution will be made this Friday and a second distribution will be made early next week.

Pursuant to the revised calculation, the State's share of the amount calculated by the IA to be due is \$106,975,241.05 (70.8%) and the Tobacco Settlement Authority's share is \$44,119,732.19 (29.2%). As previously indicated, however, many participating manufacturers will be withholding a portion of the amounts calculated to be due or deposit some portion of those amounts into the disputed payments account related to the claim that the IA should have reduced their payment obligations to account for the non-participating manufacturer (NPM) adjustment (see below).

Finally, I will be out on annual leave starting Thursday through Monday. When I return on Tuesday I will send out an email with actual payment information. Any questions during my absence may be directed to Senior Counsel David Hankins at [david.hankins@atg.wa.gov](mailto:david.hankins@atg.wa.gov).

Cam

***Cameron G. Comfort***

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**From:** Comfort, Cam (ATG) <cam.comfort@atg.wa.gov>

**Sent:** Monday, April 4, 2022 10:32 AM

**Subject:** Revised Final Calculations of Amounts Due to the States Under the MSA in April 2022

Dear MSA Contacts:

Based on updated information and making a few corrections, the independent auditor (IA) has provided revised final calculations of the annual payment amounts that are due to the states in April 2022 under the Master Settlement Agreement (MSA). The annual payment due to Washington has been nominally decreased to \$151,086,532.75 (from an initial calculation of \$151,086,634.96). At this point, an initial distribution is expected to be made on April 15 and a second distribution on April 21.

Pursuant to the revised calculation, the State's share of the amount calculated by the IA to be due is \$106,969,265.19 (70.8%) and the Tobacco Settlement Authority's share is \$44,117,267.56 (29.2%). Based on prior years' experience, however, many participating manufacturers will withhold a portion of the amounts calculated to be due or deposit some portion of those amounts into the disputed payments account related to the claim that the IA should have reduced their payment obligations to account for the non-participating manufacturer (NPM) adjustment. The NPM adjustment, if applied, would be based on the percentage shift in cigarette sales away from manufacturers participating in the MSA to NPMs multiplied by three. The amounts withheld or deposited into the disputed payments over the past several years has been around 15-16 percent. The National Association of Attorneys General has advised that it expects the amounts withheld or deposited into the disputed payments account this year to be around 22 percent, which is considerable higher than the past few years.

Cam

***Cameron G. Comfort***

Sr. Assistant Attorney General

Revenue and Finance Division

PO Box 40123

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(360) 664

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**From:** Comfort, Cam (ATG) <cam.comfort@atg.wa.gov>

**Sent:** Friday, March 11, 2022 1:45 PM

**Subject:** Independent Auditor's Initial Calculation of MSA Payments Due in April 2022

Dear MSA Contacts:

The independent auditor has provided an initial calculation of the payments under the Master Settlement Agreement (MSA) that are due to the states on or about April 15, 2022. (Because April 15 falls on a Friday, it is expected that this year's payments won't be wired until early the following week.) Based on its initial calculation, the independent auditor estimates that the annual payment *due* to Washington next month is \$151,086,634.96. For comparison purposes, the final amount calculated to be due to Washington in 2021 was \$147,413,674.21. This initial estimate of the amount due next month is based on 2021 calendar year data available to the independent auditor through early March 2022 and is *subject to change* based on additional information that is received before April 15. Of the amount that will be paid to Washington, the State's share is 70.8 percent and the Tobacco Settlement Authority's share is 29.2 percent.

The MSA payments owed by participating manufacturers depend on a number of factors. The primary factors are:

- the annual base payment under the MSA;
- the upward inflation adjustment;
- the downward volume adjustment (in 2022, the volume adjustment will be based on the total number of cigarettes sold nationwide in 2021 compared to the total number sold in 1996); and
- a potential NPM adjustment that, if it applies, would be based on the percentage shift in sales away from participating manufacturers to non-participating manufacturers multiplied by three.

(a) ANNUAL AND STRATEGIC CONTRIBUTION BASE PAYMENTS

Between 2008 and 2017, states received annual base payments and strategic contribution payments. During that time period, the annual base payment and strategic contribution base payment amounts were \$8,139,000,000 and \$861,000,000 respectively. Beginning in 2018, the strategic contribution base payment amount was added to the annual base payment amount resulting in an increased annual base payment amount of \$9,000,000,000. This increased amount will be the base amount for all future annual payments under the MSA. This change adversely impacted Washington's MSA payments beginning in 2018, compared to 2008-17, because Washington's share of the strategic contribution payment was 5.7647432 percent and its share of the annual payment is 2.0532582 percent.

(b) INFLATION ADJUSTMENT

The cumulative upward inflation adjustment that will be used in calculating 2019 MSA payments will be 2.0938187 (or 109.38187 percent). During 2021, the change in “inflation” as defined under the MSA was 7.0364 percent. Since the annual inflation adjustment under the MSA is the greater of “inflation” or three percent, the independent auditor is using “inflation” to determine the cumulative inflation adjustment percentage. This will be the first time since 2007 that the actual inflation factor will be used rather than three percent.

(c) VOLUME ADJUSTMENT

Absent a revision, the downward volume adjustment applying in 2022 will be .6405512. This figure indicates that in 2021 the total number of cigarettes sold nationwide was 35.94488 percent of the total number sold in 1996. For comparison purposes, the volume adjustment for 2021’s payment was .6150895. This means the number of cigarettes sold in nationwide in 2021 compared to 2020 decreased by a factor of about two and one-half percent.

(d) NON-PARTICIPATING MANUFACTURERS’ ADJUSTMENT

Regardless of the payments that the independent auditor ultimately determines are due, you should not expect full payment to be made by every participating manufacturer in 2022. Among other reasons, the independent auditor’s initial estimate does not include any reduction for a potential non-participating manufacturers’ (NPM) adjustment. Since 2006, many participating manufacturers have withheld some owed amounts to account for a NPM adjustment or have paid such amounts into the disputed payments account. For example, in 2021, Washington’s share of the amounts withheld and placed into the disputed payments account was about 15.2 percent of the amount that the independent auditor calculated was owed to Washington. Participating manufacturers are expected in 2022 to again withhold or place some amounts into the disputed payments account to account for the NPM adjustment. Furthermore, the National Association of Attorneys General has cautioned that it expects the amounts that are withheld or placed into the disputed payments account may be higher this year compared to previous years. With respect to the arbitration panel’s decision finding Washington non-diligent in 2004, the State moved in King County Superior Court to vacate the arbitration decision and for declaratory relief. On February 16, 2022, the Court issued an order denying the State’s motion to vacate the arbitration decision. The Court, however, granted the State’s request for declaratory relief, concluding that the arbitration panel’s ruling that tribal compact

cigarettes were “units sold” within the scope of Washington’s statute constituted plain error. According to the Court, the term “unit sold” is unambiguous and does not include compact cigarettes with tribal tax stamps. Under the order, the Court’s ruling will apply in all future arbitration hearings involving Washington. Although the Court denied the State’s motion to vacate, the AAGs representing the State continue to believe that the NPM adjustment required by arbitration panel’s non-diligent enforcement finding will not be fully applied until 2023. Among other reasons, the amount of the adjustment has not yet been determined.

Finally, when I receive additional information regarding this April’s MSA payments I will share that information with you. In the meantime, please feel free to contact me if you have any questions. Also, let me know if you should be removed from my MSA Payment contact list or know of someone who should be added.

Cam

***Cameron G. Comfort***

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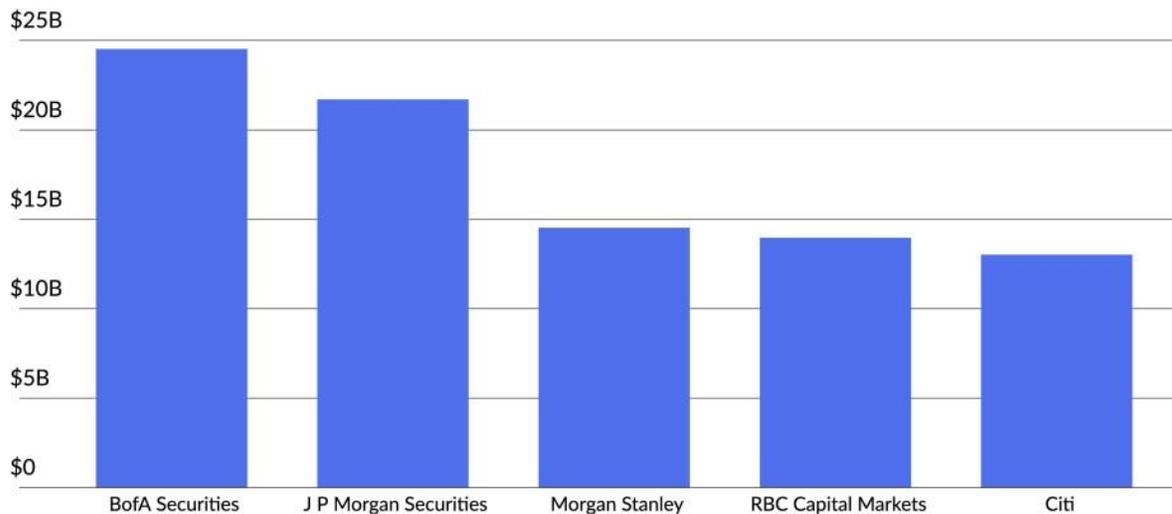
# THE BOND BUYER

## 1H underwriter rankings see minor shakeups amid lower issuance totals

By [Gabriel Rivera](#)

July 19, 2022 10:14 AM

### 1H top underwriters



Source: Refinitiv

The top municipal underwriters accounted for \$199.247 billion in 4,650 issues in the first half of 2022, down from the \$222.640 billion in 6,201 transactions during last year's first half.

BofA Securities remained in the top spot — underwriting \$24.528 billion of deals — despite accounting for considerably fewer transactions and market share than the first half of 2021.

Minor shuffling among the top municipal underwriters characterized the year-over-year differences, with Jefferies being the only newcomer to the top 10, replacing Robert W Baird & Co., which fell to 13th.

# THE BOND BUYER



*Jin Lee/Bloomberg*

## 1. BofA Securities stays on top

BofA Securities headlined the top municipal underwriters in the first half once again, accounting for \$24.528 billion in 170 issues, or a 12.3% market share. Like overall year-over-year totals for the first half, these numbers are down from the \$33.483 billion in 280 deals, or 15.0% market share, that BofA Securities accounted for during last year's first half.



*Scott Eells/Bloomberg*

## 2. J.P. Morgan Securities jumps into second

J.P. Morgan Securities inched into second place after ranking third for the first half of 2021, underwriting \$21.709 billion or a 10.9% market share during this year's first half. The leap is due in part to a year-over-year increase from its \$18.527 billion par amount and 8.3% market share last year.

# THE BOND BUYER



*Bloomberg News*

## 3. Morgan Stanley moves up to third

Morgan Stanley accounted for \$14.531 billion and a 7.3% market share during 2022's first half, lifting it to third place among the top municipal underwriters. The firm placed fourth in last year's first half rankings but had higher par amount totals, underwriting \$18.180 billion with a market share of 8.2%.



*Cole Burston/Bloomberg*

## 4. RBC leaps into top five

RBC Capital Markets hurdled into the top five after ranking sixth for 2021's first half underwriting totals. The firm accounted for \$13.969 billion and a market share of 7.0%, an increase from \$12.972 and 5.8% market share it totaled in the first half of last year.

# THE BOND BUYER

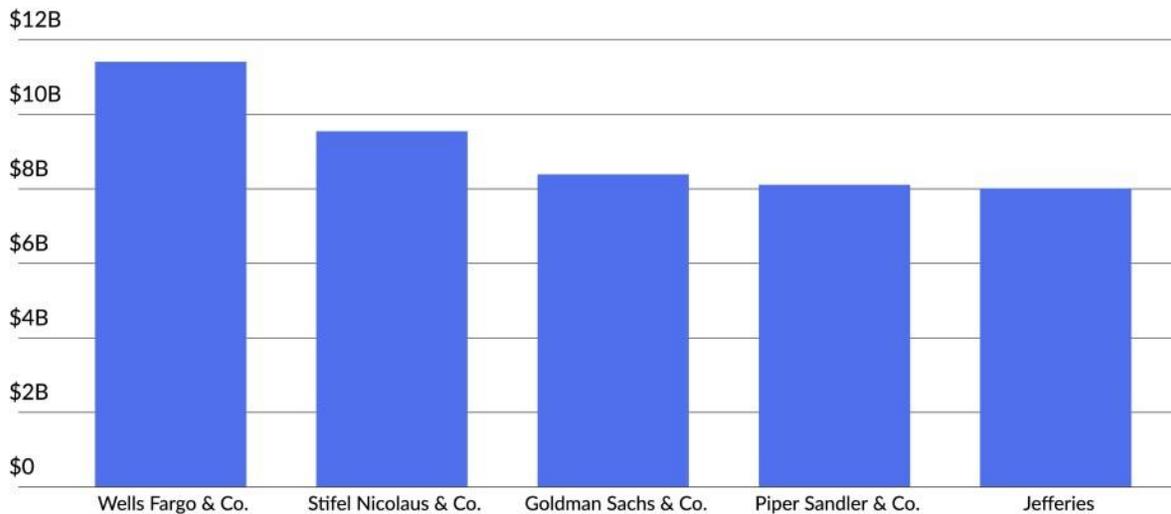


Lubo Ivanko/Lubo Ivanko - stock.adobe.com

## 5. Citi drops from second, but clings to top five ranking

Citi sunk from second to fifth place year-over-year, accounting for \$13.022 billion and a market share of 6.5%. The firm dropped because its par amount decreased 40% from last year's first half, when it underwrote \$22.677 billion and had a market share of 10.2%.

### Rest of 1H top underwriters



Source: Refinitiv

# THE BOND BUYER

## 6. Rounding out the top 10

Wells Fargo jumped to sixth from eighth year-over-year, underwriting \$11.414 billion or a 5.7% market share. Stifel Nicolaus remained in seventh with par amounts of \$9.548 billion and a 4.8% market share.

Goldman Sachs fell out of the top five and into eighth year-over-year, accounting for \$8.391 billion and a 4.2% market share. Piper Sandler placed ninth with par amounts of \$8.112 billion, and top-10 newcomer Jefferies rounded out the list, underwriting \$8.015 billion with a 4.0% market share.

**Gabriel Rivera**

Intern, The Bond Buyer

# Tulalip Tribes sues Juul, claiming e-cigarette maker targeted youth with ‘deceptive’ ads

July 11, 2022 at 6:13 pm Updated July 11, 2022 at 6:38 pm



A Juul electronic cigarette sign hangs in the front window of a bodega in New York City on June 25. (Ted Shaffrey / The Associated Press)

By [Maya Miller](#)

*Seattle Times business reporter*

The Tulalip Tribes of Washington are the latest plaintiffs to sue e-cigarette behemoth Juul Labs for targeting adolescents — including

tribal youth — with misleading ads that downplayed the product’s addictive properties.

The 316-page lawsuit, filed Thursday in U.S. District Court for Western Washington, alleges that Juul and its subsidiaries violated the federal Racketeer Influenced and Corrupt Organizations Act, also known as RICO, as well as Washington’s public nuisance laws. The tribes claim Juul engineered a fraudulent advertising campaign that transcended state boundaries and tribal sovereignty to profit from a new generation of people addicted to nicotine.

The Food and Drug Administration [ordered](#) Juul on June 23 to pull its products from the market only to [be blocked a day later by a federal appeals court](#). On Wednesday, the FDA [suspended](#) its initial ban while it reopens its review of Juul’s e-cigarettes. The company can still sell its products during the review process.

Juul faces a flurry of lawsuits, including a massive multidistrict case that combines over 2,000 individual suits. Just last year, Juul paid \$22.5 million to settle with a lawsuit from the state of Washington over a similar claim — that the company knowingly targeted teenagers with its products and misled the public about their addictive nature.

The company admitted no wrongdoing and said it settled to “avoid further litigation.” The settlement with Washington followed two previous multimillion-dollar settlements in [Arizona](#) and [North Carolina](#).

In an April statement, Juul acknowledged the settlement was one step in a larger company “reset” and part of its effort to “resolve issues from the past.”

“We support the Washington State Attorney General’s plan to deploy resources to address underage use, such as future monitoring and enforcement,” the statement said.

The Tulalip lawsuit said e-cigarette use was “concerningly high” among tribal youth. The 2018 [state health assessment](#) found that among Washington’s 10th graders, about a quarter of students who identified as “American Indian/Alaska Native” used e-cigarettes, which was a greater percentage than students of other ethnicities. Native students

## **The Seattle Times**

also smoked at higher rates than students of other ethnicities, the report found.

In addition to Juul, the Tulalip suit names cigarette giants Altria and Phillip Morris as co-defendants, along with Juul's founders, James Monsees and Adam Bowen, and investors Nicolas Pritzker, Huyoung Huh and Riaz Valani.

"The Tulalip Tribes has filed suit to recover costs associated with the rising public health epidemic resulting from vaping and Juul's marketing and sale of e-cigarettes to minors, and to recover the future expenditures that will be needed to address this problem," Niki Cleary, a tribal spokesperson, said in an email to The Seattle Times.

Representatives for Juul did not immediately respond to an emailed press inquiry.

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## Court temporarily halts FDA ban on Juul e-cigarettes

By [Adela Suliman](#)

June 25, 2022 at 5:37 a.m. EDT



Juul's flavored vaping e-cigarette products are displayed in a convenience store on June 23 in El Segundo, Calif. (Patrick T. Fallon/AFP/Getty Images)

Share

Electronic cigarettes made by Juul Labs can continue to be sold, for now, after a federal appeals court on Friday issued a temporary stay on a government ban.

Earlier this week, the Food and Drug Administration [banned Juul](#) from selling its popular vaping device, tobacco and menthol flavored cartridges, citing insufficient data on health and safety.

A day later, the once-booming Silicon Valley start-up sought an emergency motion for a temporary hold while it appeals the sales ban, calling it an “extraordinary and unlawful action” by the FDA.

The U.S. Court of Appeals for the District of Columbia Circuit granted Juul’s request for a hold on the FDA order until at least July 12, while the court reviews the case.

# The Washington Post

“The purpose of this administrative stay is to give the court sufficient opportunity to consider petitioner’s forthcoming emergency motion for stay pending court review,” the court order said, “and should not be construed in any way as a ruling on the merits of that motion.”

## [FDA orders Juul e-cigarettes off the market over safety concerns](#)

The FDA issued “marketing denial orders” to Juul on Thursday, [stating](#) that the company “must stop selling and distributing” all of its products currently marketed in the United States.

It accused Juul of issuing “insufficient and conflicting data” regarding the “toxicological profile” of some of its products and said the company could not demonstrate that “marketing of the products would be appropriate for the protection of the public health.”

However, the FDA underscored that it had not received any clinical information to suggest an “immediate hazard” associated with Juul devices or pods to consumers.

## [FDA facing demands to snuff out Juul’s e-cigarettes](#)

“The FDA is tasked with ensuring that tobacco products sold in this country meet the standard set by the law, but the responsibility to demonstrate that a product meets those standards ultimately falls on the shoulders of the company,” said Michele Mital, acting director of the FDA’s center for tobacco products.

“JUUL had the opportunity to provide evidence demonstrating that the marketing of their products meets these standards,” she said in a statement. “However, the company did not provide that evidence and instead left us with significant questions. Without the data needed to determine relevant health risks, the FDA is issuing these marketing denial orders.”

Juul hit back, arguing that it has “appropriately characterized the toxicological profile” of its products. The company said it submitted the required data and information, adding that it would explore options, including a legal appeal of the ban.

“We respectfully disagree with the FDA’s findings and decision and continue to believe we have provided sufficient information and data based on high-quality research to address all issues raised by the agency,” Juul chief regulatory officer Joe Murillo said in a [statement](#). “We remain committed to doing all in our power to continue serving the millions of American adult smokers.”

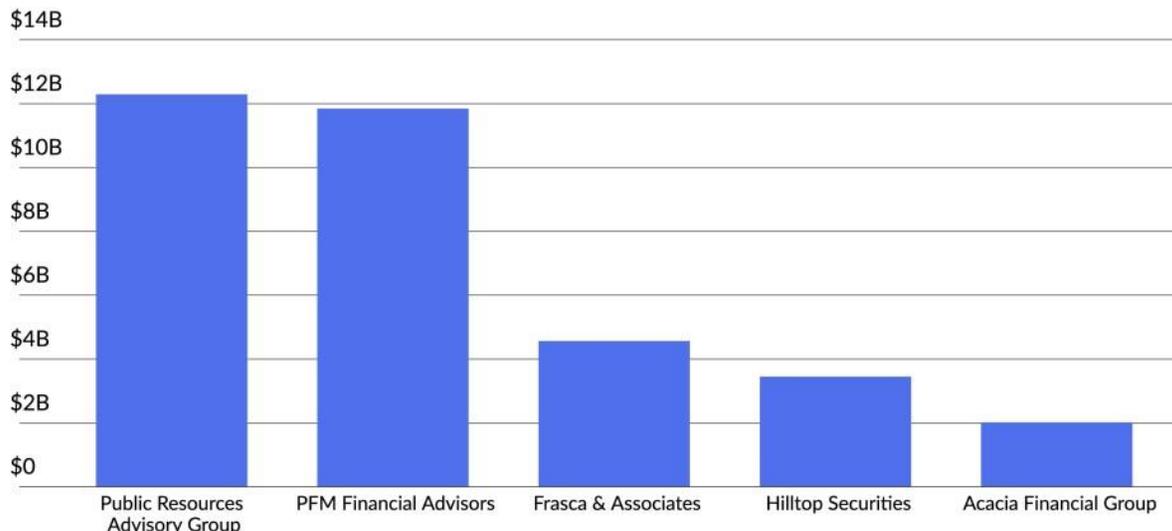
# THE BOND BUYER

## Q1's top 10 advisor rankings see new firms

By [Jessica Lerner](#)

April 20, 2022 11:43 AM

### Q1 top financial advisors



Source: Refinitiv

Municipal financial advisors saw \$79.460 billion of business in 1,624 transactions in the first quarter of 2022, down from the \$89.616 billion in 1,923 deals in 2021.

Kaufman Hall & Associates, Municipal Capital Markets Group and Montague DeRose & Associates moved up into the top 10.



### 1. PRAG nabs top spot for financial advisors

Public Resources Advisory Group claimed the top spot, advising on \$12.292 billion with a 15.5% market share versus \$11.610 billion and 13.0% share of the market a year ago.

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## 2. PFM drops to second

Public Financial Management Financial Advisors dropped to second with a par amount of \$11.844 billion or 14.9% share of the market. That compares with its \$15.186 billion and a 17.0% market share in the first quarter of 2021.



## 3. Frasca is third

Frasca & Associates accounted for \$4.565 billion and an 5.8% market share to be squarely in third place, compared to \$4.620 and a 5.2% market share from the year before.



## 4. HilltopSecurities sees losses

HilltopSecurities dropped to fourth place, totaling \$3.451 billion and 4.3% market share, down from \$8.194 billion and 9.1% share of the market in 2021.

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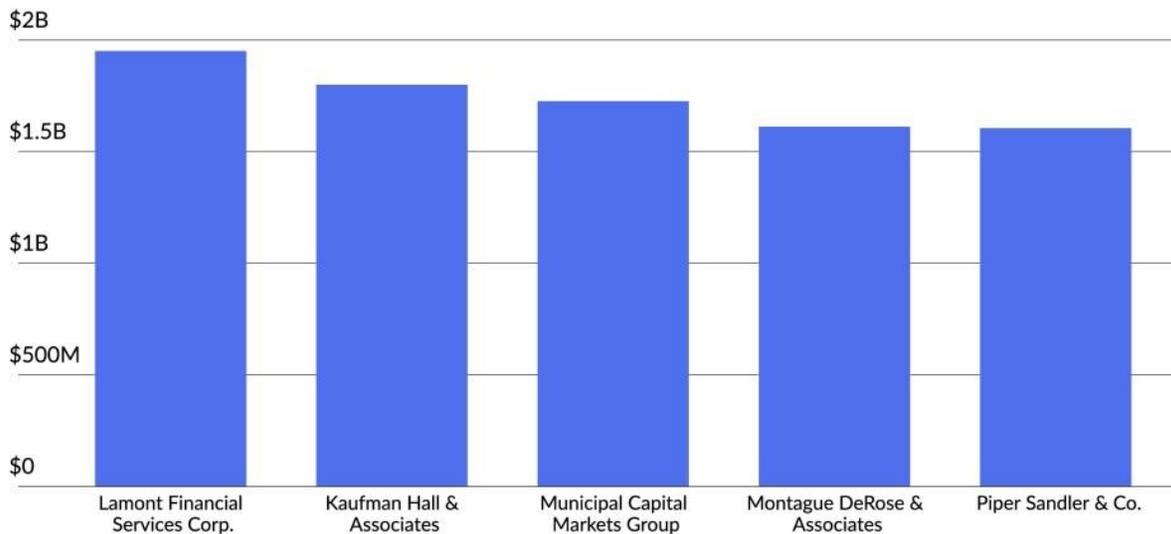
## ACACIA

FINANCIAL GROUP, INC.

### 5. Acacia rises to fifth but with less volume

Acacia Financial Group was in fifth place, with a par amount of \$2.018 billion and 2.5% share of the market, both decreases from \$2.358 billion and 2.6% during the first quarter of 2021.

#### Rest of top Q1 financial advisors



Source: Refinitiv

### Rounding out the top 10

Lamont Financial Services Corporation with \$1.952 billion, Kaufman Hall & Associates with \$1.801 billion, Municipal Capital Markets Group with \$1.727 billion, Montague DeRose & Associates with \$1.613 billion and Piper Sandler & Co. with \$1.606 billion.