**NIAGARA TOBACCO ASSET SECURITIZATION CORPORATION**

**AUTHORITY MEASUREMENT REPORT**

**The major proceeds of the Tobacco Settlement are controlled and maintained by**

**M & T Bank and Trustee and Bank of America. We continue to operate on a fixed budget**

**covering operational expenses.**

**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. We will continue to monitor the amount withheld and**

**deposited into the Disputed Payment Account and continue to seek resolution and full**

**payment from the major tobacco corporations to satisfy the Tobacco Settlement**

**Agreement.**