



STATE OF OREGON
OFFICE OF THE ATTORNEY GENERAL
Civil Enforcement Division: Tobacco Enforcement
1162 Court Street, NE
Salem, OR 97301

NONPARTICIPATING MANUFACTURER SURETY BOND

STATE OF _____ BOND NUMBER: _____

COUNTY/CITY OF _____

KNOW ALL PEOPLE BY THIS DOCUMENT that we,

[Name of Principal]

of _____

[Address of Principal]

as Principal; and

[Name of Surety]

of _____

[Address of Surety]

as surety company authorized to transact business in the State of Oregon, are held and firmly bound unto the STATE OF OREGON, as Obligee, in the full and just sum of:

_____ THOUSAND DOLLARS AND _____ CENTS,
[Amount in Words] **[Amount in Words]**

_____, for which payment we hereby bind ourselves, our heirs, administrators,
Amount in Figures]

executors, successors and assigns firmly by this document.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT

WHEREAS, the principal is subject to ORS 323.800 to 323.807 and Oregon Laws 2023, chapter 401, section 8, this surety bond is required;

WHEREAS, the Oregon Legislative Assembly enacted House Bill 2128 in the 2023 Legislative Session, which is enrolled at Oregon Laws 2023, chapter 401;

WHEREAS, Oregon Laws 2023, chapter 401, section 8 changes the nature of the nonparticipating manufacturer payment from an escrow deposit to an equity assessment beginning in the 2024 sales year and the payment amount remains the same;

WHEREAS, under ORS.180.416(1), a nonparticipating manufacturer must post a bond for the benefit of the State of Oregon, which is conditioned on the nonparticipating manufacturer fully complying with the obligations

of ORS 323.806 or Oregon Laws 2023, chapter 401, section 8, as applicable; and,

WHEREAS, under ORS 180.416(2), the bond must be posted at least 10 days in advance of each calendar quarter as a condition of the nonparticipating manufacturer and its brand families being included in the state directory for that quarter. The amount of the bond must be the greater of: (a) the greatest required escrow or equity assessment payment amount (as applicable) due from the non-participating manufacturer or its predecessor for any of the 12 preceding calendar quarters; or (b) \$25,000.”

NONPARTICIPATING MANUFACTURER SURETY BOND

NOW THEREFORE, if the principal shall comply with all the provisions of ORS 323.806 and Oregon Laws 2023, chapter 401, section 8, and any amendments, and in particular, payment of escrow or equity assessments (as applicable), penalties, and interest, promptly when due, including escrow, penalties, and interest which are now due and those which may become due, then the surety shall have no obligation to perform under this bond.

Upon failure of the principal to comply with any or all of the provisions of ORS 323.806 and Oregon Laws 2023, chapter 40, section 8, and any amendments including the principal’s failure to pay all escrow or equity assessments (as applicable), interest, and penalties promptly when due, the Oregon Department of Justice may make demand on the surety for the payment of the amount of the unpaid escrow, interest, and penalties by said principal up to, but not to exceed the amount of the surety’s liability as defined by this bond, including any costs and attorney’s fees incurred during the collection process.

The surety is assuring to the Oregon Department of Justice, the principal’s full compliance with ORS 323.806 and Oregon Laws 2023, chapter 401, section 8, and with any amendments. All terms, conditions, and provisions of these Chapters shall be deemed to be incorporated in and made part of this bond as if fully set forth in full herein.

This bond shall become effective on the _____ day of _____, 20____, at twelve and one minute o’clock A.M., Pacific Time., and continue in effect until the surety withdraws by giving written notice to the Oregon Department of Justice, Tobacco Enforcement Unit, 1162 Court Street, NE, Salem, OR 97301, provided however, that no withdrawal shall be effective for any purpose until 30 days has elapsed from the receipt of the written notice by the Oregon Department of Justice, Tobacco Enforcement Unit. Furthermore, no withdrawal shall in anyway affect liability of the surety arising out of any actions or inactions made by the principal prior to receipt of the written notice by the Oregon Department of Justice and expiration of the 30 day period.

IN WITNESS WHEREOF, the principal and surety have executed this instrument at

[Address]

this _____ day of _____, 20 _____

[Principal]

[Surety]

[By]

[By]

Signed and acknowledged by Surety’s agent _____ before me this _____ day of _____, 20_____.

My Commission expires: _____

Notary Public

NONPARTICIPATING MANUFACTURER SURETY BOND

The Department of Justice requires electronic submission for all documents. Please contact our office at tobaccoenforcementCERT@doj.oregon.gov or call 503.934.4400 if you need assistance.

I. INFORMATION FOR THE PREPARATION AND EXECUTION OF THIS BOND

- A. The legal name of Principal on the bond should be fully and correctly stated and should precisely agree with the name of nonparticipating manufacturer on its local business license or articles of incorporation.
- B. The name in which business is conducted should follow the name or names of the Principal where the nonparticipating manufacturer does business under a fictitious name.

II. EXECUTION BY PRINCIPAL

If the Principal of this bond is:

- A. An individual: This bond must be signed by the Principal.
- B. A partnership: This bond must be executed in the name of the partnership, and must be signed by at least one of the partners.
- C. A corporation: This bond must be executed in the name of the corporation, and signed by its President or Vice President, with an impression of corporate seal affixed, and attested to by the Secretary or Assistant Secretary of the corporation.

III. EXECUTION BY SURETY

- A. This bond must be executed by a properly authorized person, whose title must be shown, with an impression of the corporate seal of the Surety affixed.
- B. Attach an original or certified copy of Power-of-Attorney authorizing the execution.