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April 23, 2012

The Honorable Stephen M. Brewer, Chairman, Senate Ways and Means Committee
The Honorable Brian S. Dempsey, Chairman, House Ways and Means Committee
The Honorable Richard T. Moore, Senate Co-Chair of the Joint Committee on Health Care Financing
The Honorable Steven M. Walsh, House Co-Chair of the Joint Committee on Health Care Financing
The Honorable Susan C. Fargo, Senate Co-Chair of the Joint Committee on Public Health
The Honorable Jeffrey Sánchez, House Co-Chair of the Joint Committee on Public Health
Michael Esmond, Budget Director, Administration and Finance

Re: Tobacco Funds

In accordance with the requirement in Section 3 c. of Chapter 29D of the Massachusetts General Laws, I hereby certify the receipt of a deposit of Massachusetts' share pursuant to the master settlement agreement (MSA) resulting from the action known as Commonwealth of Massachusetts v. Phillip Morris, Inc. This amount is Massachusetts' share of the funds withheld in connection with the 2005 non-participating manufacturers.

On April 16, 2012, an annual payment of \$244,117,260.45 was received and confirmed by Treasury. On April 18, 2012, an additional payment was received for \$9,510,658.79. In accordance with section 30 of Chapter 65 of the Acts of 2009, 100% of the receipts are being transferred to the General Fund. I have also enclosed a spreadsheet showing the base payments projected in the MSA, actual payments received, as well as projected and actual payments to the law firms that represented the Commonwealth in the case.

Total receipts for the fiscal year are as follows:

| <u>Date</u> | <u>Amount</u> |
|---------------------------------|-------------------------|
| April 16, 2012 | \$244,117,260.45 |
| April 18, 2012 | <u>\$ 9,510,658.79</u> |
| Total Received for FY12 to date | <u>\$253,627,919.24</u> |

Sincerely,



Martin J. Benison
Comptroller

Enc.

MB/elh

Cc: Trustees, Health Care Security Trust
Samuel Goldhar, House Ways and Means
Douglas Howgate, Senate Ways and Means

Commonwealth of Massachusetts
Share of Master Settlement
Last Settlement Date: 4/12
Last Attorney Payment Date: 1/12

| Commonwealth's Fiscal Year | Base Amounts from the Master Settlement Agreement | | | | | | | Actual Payments (G) | Percent (H) | Cumulative Percent (G/F) | Attorneys Arbitration Payments | |
|----------------------------|---|----------------------------------|-------------------------|---------------------------|--------------------------|--|-----------------------------------|-------------------------|----------------|-----------------------------|--------------------------------|-----------------------|
| | Nationwide Initial Payment (A) | Nationwide Annual payment (B) | Strategic Contribution | Initial Mass Share (C) | Annual Mass Share (D) | Mass Share of Strategic Contribution Payments (E) | Mass Share of all Payments (F) | | | | Projected * | Actual to Date * |
| | | | | | | | (C+D+E) | | | | | |
| 1999 | \$ 2,400,000,000 | \$ - | | \$ 96,935,496 | \$ - | \$ - | 99 amounts included in 00 | | | | | |
| 2000 | \$ 2,472,000,000 | \$ 4,500,000,000 | | \$ 99,843,561 | \$ 181,754,055 | \$ - | \$ 378,533,112 | 326,235,129 | 86.18% | 86.18% | 51,355,388 | 51,355,388 |
| 2001 | \$ 2,546,160,000 | \$ 5,000,000,000 | | \$ 102,838,868 | \$ 201,948,950 | \$ - | \$ 304,787,818 | 242,469,511 | 79.55% | 83.23% | 31,976,288 | 31,976,288 |
| 2002 | \$ 2,622,544,800 | \$ 6,500,000,000 | | \$ 105,924,034 | \$ 262,533,635 | \$ - | \$ 368,457,669 | 304,517,550 | 82.65% | 83.02% | 27,275,898 | 27,275,898 |
| 2003 | \$ 2,701,221,144 | \$ 6,500,000,000 | | \$ 109,101,755 | \$ 262,533,635 | \$ - | \$ 371,635,390 | 300,038,924 | 80.73% | 82.43% | 30,228,933 | 30,228,933 |
| 2004 | | \$ 8,000,000,000 | | \$ - | \$ 323,118,320 | \$ - | \$ 323,118,320 | 253,621,276 | 78.49% | 81.70% | 31,072,796 | 31,072,796 |
| 2005 | | \$ 8,000,000,000 | | \$ - | \$ 323,118,320 | \$ - | \$ 323,118,320 | 257,416,845 | 79.67% | 81.38% | 31,072,796 | 36,613,368 |
| 2006 | | \$ 8,000,000,000 | | \$ - | \$ 323,118,320 | \$ - | \$ 323,118,320 | 236,305,234 | 73.13% | 80.27% | 31,072,796 | 37,909,880 |
| 2007 | | \$ 8,000,000,000 | | \$ - | \$ 323,118,320 | \$ - | \$ 323,118,320 | 247,340,051 | 76.55% | 79.82% | 31,072,796 | 37,722,444 |
| 2008 | | \$ 8,139,000,000 | \$ 861,000,000 | \$ - | \$ 328,732,501 | \$ 41,425,316 | \$ 370,157,817 | 288,490,174 | 77.94% | 79.60% | 31,072,796 | 37,476,649 |
| 2009 | | \$ 8,139,000,000 | \$ 861,000,000 | \$ - | \$ 328,732,501 | \$ 41,425,316 | \$ 370,157,817 | 315,153,115 | 85.14% | 80.19% | 31,072,796 | 37,205,371 |
| 2010 | | \$ 8,139,000,000 | \$ 861,000,000 | \$ - | \$ 328,732,501 | \$ 41,425,316 | \$ 370,157,817 | 263,678,368 | 71.23% | 79.33% | 31,072,796 | 26,116,849 |
| 2011 | | \$ 8,139,000,000 | \$ 861,000,000 | \$ - | \$ 328,732,501 | \$ 41,425,316 | \$ 370,157,817 | 248,741,127 | 67.20% | 78.26% | 31,072,796 | 26,861,324 |
| 2012 | | \$ 8,139,000,000 | \$ 861,000,000 | \$ - | \$ 328,732,501 | \$ 41,425,316 | \$ 370,157,817 | 253,627,919 | 68.52% | 76.68% | 31,072,796 | 20,145,993 |
| 2013 | | \$ 8,139,000,000 | \$ 861,000,000 | \$ - | \$ 328,732,501 | \$ 41,425,316 | \$ 370,157,817 | - | 0.00% | | 31,072,796 | - |
| 2014 | | \$ 8,139,000,000 | \$ 861,000,000 | \$ - | \$ 328,732,501 | \$ 41,425,316 | \$ 370,157,817 | - | 0.00% | | 31,072,796 | - |
| 2015 | | \$ 8,139,000,000 | \$ 861,000,000 | \$ - | \$ 328,732,501 | \$ 41,425,316 | \$ 370,157,817 | - | 0.00% | | 31,072,796 | - |
| 2016 | | \$ 8,139,000,000 | \$ 861,000,000 | \$ - | \$ 328,732,501 | \$ 41,425,316 | \$ 370,157,817 | - | 0.00% | | 31,072,796 | - |
| 2017 | | \$ 8,139,000,000 | \$ 861,000,000 | \$ - | \$ 328,732,501 | \$ 41,425,316 | \$ 370,157,817 | - | 0.00% | | 31,072,796 | - |
| 2018 | | \$ 9,000,000,000 | | \$ - | \$ 363,508,110 | \$ - | \$ 363,508,110 | - | 0.00% | | 31,072,796 | - |
| 2019 | | \$ 9,000,000,000 | | \$ - | \$ 363,508,110 | \$ - | \$ 363,508,110 | - | 0.00% | | 31,072,796 | - |
| 2020 | | \$ 9,000,000,000 | | \$ - | \$ 363,508,110 | \$ - | \$ 363,508,110 | - | 0.00% | | 31,072,796 | - |
| 2021 | | \$ 9,000,000,000 | | \$ - | \$ 363,508,110 | \$ - | \$ 363,508,110 | - | 0.00% | | 31,072,796 | - |
| 2022 | | \$ 9,000,000,000 | | \$ - | \$ 363,508,110 | \$ - | \$ 363,508,110 | - | 0.00% | | 31,072,796 | - |
| 2023 | | \$ 9,000,000,000 | | \$ - | \$ 363,508,110 | \$ - | \$ 363,508,110 | - | 0.00% | | 31,072,796 | - |
| 2024 | | \$ 9,000,000,000 | | \$ - | \$ 363,508,110 | \$ - | \$ 363,508,110 | \$ - | 0.00% | | 12,707,573 | - |
| | \$ 12,741,925,944 | \$ 198,890,000,000 | \$ 8,610,000,000 | \$ 514,643,713 | \$ 8,033,125,333 | \$ 414,253,163 | \$ 8,962,022,209 | \$ 3,537,635,222 | 39.47% | | \$ 775,000,000 | \$ 431,961,181 |

* Per Mintz Levin Cohn Ferris Glovsky and Popeo, PC, attorney for Brown Rudnick, et al.