



# OTASC

The Ontario Tobacco Asset Securitization Corporation (OTASC) is a local development corporation organized pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York. It was created for the special purpose of the sale of tobacco assets by the County and was established on July 2, 2001. The OTASC is legally separate from the County of Ontario, New York (the County); however it is a blended component unit of the County and accordingly is included in the County's financial statements.

On July 3, 2001, pursuant to a Purchase and Sale Agreement with the County, the County sold to the OTASC all of its future rights, title and interest in the Tobacco Settlement Revenues. These revenues were from a settlement agreement that resolved cigarette smoking-related litigation between the settling states and the tobacco companies, a portion of the payments made to the states are allocated to the County.

The purchase price of the County's future rights, title and interest in the Tobacco Settlement Revenues was financed by the issuance of serial bonds to investors which it promised to pay back with the money that the OTASC expects to receive annually from tobacco companies from the agreed upon settlement of tobacco claims. The net proceeds of the borrowing by the OTASC are paid to the County.

The OTASC was formed and its activities are strictly limited to:

- Acquiring the tobacco assets from the County
- Issuing bonds, the net proceeds of which are paid to the County for the tobacco assets; and
- Collecting receipts for the tobacco settlement and servicing its debt in connection with the issuance of those bonds; and
- Remaining in existence for the term of the bonds and providing annual reports to the bondholders

The OTASC is managed by a Board of Directors, four members of which serve ex-officio, consisting of the County Administrator of the County, the County Director of Finance, the Chairman of the Finance Committee of the Board of Supervisors and the Assistant County Attorney, and one member of which is an Independent Director.

**Ontario Tobacco Asset Securitization Corporation**  
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