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## [A First-Ever Default Shakes an \\$80 Billion Corner of Muni Market.](#)

### **Takeaways by Bloomberg AI**

- More than two decades after Wall Street started issuing bonds backed by legal-settlement payments from cigarette companies, one batch has been driven into default.
- The default was triggered by Nassau County Tobacco Settlement Corp.'s inability to make a \$36 million payment on debt due to a decline in cigarette shipments, which has been plunging at a faster pace than expected.
- Analysts expect many tobacco-bond issuers to be unable to keep up with their payments as smoking continues to decline, with some \$9.7 billion of tobacco bonds already rated as likely to default.

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### **Bloomberg Markets**

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