



December 16, 2011

NOTICE TO ALL LICENSED DISTRIBUTORS AND WHOLESALERS

RE: **Procesadora Nacional Cigarrillera and Rouseco, Inc.**

This Notice is being provided to you pursuant to Revenue and Taxation Code section 30165.1, subdivision (c)(3)(A).

The Attorney General's Office has notified the following manufacturers that it will recommend to the Attorney General that the manufacturers and their brand families be removed from the California Tobacco Directory for cause if they do not correct deficiencies in their annual Certification for Listing applications and/or their escrow deposits within thirty (30) days:

1. Procesadora Nacional Cigarrillera S.A. ("PRONALCI")
 - Brand Family: Poker
2. Rouseco, Inc. ("Rouseco")
 - Brand Family: Golden Harvest – RYO

Distributor and Wholesaler Responsibilities

By law, distributors and wholesalers may purchase, stamp, or sell cigarettes or tobacco products listed in this Notice for *no more than forty (40) days* after the date of this Notice. (Rev. & Tax. Code, § 30165.1, subd. (c)(3)(B).)

Within seven (7) days from the date of this Notice, and before selling any products affected by this Notice, you must notify each of your existing customers that the above-listed manufacturers and their brand families are subject to a pending administrative action. Providing your customers with a copy of this Notice satisfies this legal obligation.

What Happens Next?

If the above-named manufacturers and their brand families are removed from the California Tobacco Directory, our office will provide you with a notice of removal via email pursuant to Revenue and Taxation Code section 30165.1, subdivision (c)(3)(C). If you receive a notice of removal, you must provide a copy of that notice to each of your existing customers within seven (7) days. (Rev. & Tax. Code, § 30165.1, subd. (c)(3)(C).)

If the manufacturer and its brand families are removed from the California Tobacco Directory, a licensed retailer may possess, transport, or sell the tax-stamped cigarettes affected by the notice

of removal for no more than sixty (60) days following the effective date of the removal. (Rev. & Tax. Code, § 30165.1, subd. (c)(3)(D).) After sixty (60) days following removal, the brand family identified in the notice of removal is contraband and may not be sold or purchased in California, and will be subject to seizure and destruction under Revenue and Taxation Code sections 30436, subdivision (e), and section 30449, subdivision (b). (Rev. & Tax. Code, § 30165.1, subd. (c)(3)(E).)

In the event that the Attorney General's Office does not remove the above-named manufacturers and their brand families from the California Tobacco Directory, we will notify you via email pursuant to Revenue and Taxation Code section 30165.1, subdivision (c)(3)(F). If you receive a notice of non-removal, you must provide a copy of that notice to each of your existing customers within seven (7) days, and you may continue to purchase, sell, and stamp products affected by that notice. (Rev. & Tax. Code, § 30165.1, subd. (c)(3)(F).)

Questions About This Notice

Thank you for your cooperation. Please send inquiries to:

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