



January 6, 2012

NOTICE TO ALL LICENSED DISTRIBUTORS AND WHOLESALERS

RE: Removal of M/s Dhanraj International from California Tobacco Directory

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 M/s Dhanraj International ("Dhanraj") that it and its brand families will be removed from the California Tobacco Directory pursuant to Revenue and Taxation Code section 30165.1, subdivision (c)(1)(A) in thirty (30) days, because it failed to make annual payments to the Escrow Agent for the Master Settlement Agreement ("MSA") on April 15, 2011, as required by subsections IX(c)(1) and IX(c)(2) of the MSA, and did not dispute that such payments were due. A consent judgment establishing this unpaid liability against Dhanraj has been entered by the Superior Court in and for the County of San Diego. The following brand families will be removed from the California Tobacco Directory in thirty (30) days:

- 10/20's (ten-twenty's);
- 10/20's (ten-twenty's) – RYO;
- Dhyan-Bidis;
- Dynasty;
- Ms. CEO;
- Rook – 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 Dhanraj and its brand families will be removed from the Tobacco Directory. Providing your customers with a copy of this Notice satisfies this legal obligation.

What Happens Next?

Our office plans to remove Dhanraj and its brand families from the California Tobacco Directory in thirty (30) days. Once Dhanraj and its brand families have been removed, we will provide you with a notice of removal via email pursuant to Revenue and Taxation Code section 30165.1, subdivision (c)(3)(C). When 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).)

Once Dhanraj 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 families identified in the notice of removal are 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).)

Questions About This Notice

Thank you for your cooperation. Please send inquiries to:

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